

1958

men, have spoken for more of us than is generally recognized.

What is a wilderness?

It is, by the strict dictionary definition, an area that is uncultivated and uninhabited by man. In a larger sense it is a sanctuary for all the primal realities of nature unchanged.

But do not the national parks already provide sufficient sanctuaries for wildness?

In the back country of a number of national parks there are wonderful stretches of unspoiled wilderness. However, the fundamental purpose of a national park has not been to preserve wildness as such. It is to protect and make available to the public some superb example of natural splendor, some area that is unique.

The significance of the wilderness area, on the other hand, lies in characteristics that it shares with all other wilderness areas; namely, natural conditions as completely untouched and unaltered as is consistent with its protection and use as wilderness.

The whole program of wilderness preservation, although never formulated as such by Congress, has grown steadily in importance and popular interest. Its greatest danger at present is the fact that the status of any area can be altered merely by administrative decree. A more solid foundation in law is required if the areas that have already been set aside are to continue as land forever wild.

It is for this purpose that Senator HUMPHREY, with a group of cosponsors in the Senate, and Representative JOHN P. SAYLOR, and others, in the House, introduced into the 85th Congress a bipartisan bill to establish a National Wilderness Preservation System.

For the first time, it would give legal recognition to wilderness preservation as a national policy. It would designate specific areas to be set aside. It would outline the public policy in regard to them—such as that man himself is a member of the natural community who visits but does not remain and whose travels leave only trails.

It would set up a central advisory and information group, a repository of files for the System, known as the National Wilderness Preservation Council. In the main, the bill would preserve the status quo. No new land administration agency would be set up. Jurisdiction would continue, as in the past, in various agencies of the Government.

Known as the national wilderness preservation bill, it represents one of the most important steps forward in the history of wilderness preservation in America.

PROPOSED ADDITIONAL UNEMPLOYMENT COMPENSATION BENEFITS

Mr. ROBERTSON, Mr. President, the morning papers state that President Eisenhower informed a group of governors yesterday that he would recommend to the Congress a bill authorizing the payment of 13 additional weeks of unemployment compensation benefits.

Those who have not served in the Congress for the past 17 years may be unaware of the fact that this is the fifth time a proposal of similar nature has been made to the Congress. Three of the bills were considered by the House Ways and Means Committee, of which I was then a member, and the fourth by the Senate Finance Committee, when Senator George was chairman.

Neither committee reported any bill on this subject, for the simple reason that the Congress has no constitutional right to appropriate public funds for the benefit of one individual or a relatively

small group of individuals solely because he or they may be temporarily unemployed. In addition the proposals, first in 1942 as a mere grant to the States, and then in 1944 as an open and avowed effort to regulate State employment compensation laws, were such a clear invasion of States rights that they were promptly repudiated.

I recall most distinctly the impressive showing made before the Ways and Means Committee in February of 1942 by a group of seven outstanding governors headed by Governor Stassen of Minnesota, who was then chairman of the National Conference of Governors, and, therefore, speaking for the group as well as for himself, on the first bill of this character, namely, H. R. 6559.

Governor Stassen in voicing his personal opposition to the bill said that while each governor was privileged to speak for his own State, "I do appear to present the almost unanimous support of the governors of the respective States in opposition to this measure." With his testimony, Governor Stassen filed many telegrams from governors which will be found commencing on page 351 of the Ways and Means Committee hearings on H. R. 6559.

In opening his splendid statement in opposition to the bill and in behalf of the preservation of States rights, our distinguished colleague, the senior Senator from Massachusetts [Mr. SALTONSTALL], then Governor of his State, said:

I am here as Governor of Massachusetts to oppose this bill, H. R. 6559. This past autumn, the New England Conference of Governors met and unanimously sent a telegram to the President opposing the federalization of unemployment security, and on Friday, after talking with Congressman Treadway, and learning that I might be able to come here and testify, I called up each one of our New England governors. I have conferred with several of the New England governors, including Governor Wills, of Vermont; Governor Sewall, of Maine; and Governor Blood, of New Hampshire, who is present here to testify. Governor Hurley, of Connecticut, has sent me a telegram authorizing me to state that he still opposes this bill 100 percent. He is opposed to the federalization of unemployment security, as is Governor McGrath, of Rhode Island. So I might state that the governors of the New England States are opposed to the principles of this bill, H. R. 6559.

I realize, of course, that in 1954 our United States Supreme Court said in effect that no matter what the 14th amendment to the Constitution may have meant to those who framed it and to the court that decided the school segregation case of Plessy against Ferguson, it meant something different in 1954. But, Mr. President, regardless of the views of those who may think that time alone is sufficient to change the meaning of our written Constitution, I have seen no open repudiation of the doctrine announced by the great Court headed by Chief Justice Hughes in 1936, which said:

The general rule with regard to the respective powers of the national and the State Governments under the Constitution, is not in doubt. The States were before the Constitution; and, consequently, their legislative powers antedated the Constitution. Those who framed and those who adopted

that instrument meant to carve from the general mass of legislative powers, then possessed by the States, only such portions as it was thought wise to confer upon the Federal Government; and in order that there should be no uncertainty in respect to what was taken and what was left, the national powers of legislation were not aggregated but enumerated—with the result that what was not embraced by the enumeration remained vested in the States without change or impairment.

And in the same decision, in which all efforts to undermine and construe away the plain meaning of the Constitution were deplored, the Court added this significant statement:

Every journey to a forbidden end begins with the first step; and the danger of such a step by the Federal Government in the direction of taking over the powers of the States is that the end of the journey may find the States so despoiled of their powers, or—what may amount to the same thing—so relieved of the responsibilities which possession of the powers necessarily enjoins, as to reduce them to little more than geographical subdivisions of the national domain. It is safe to say that if, when the Constitution was under consideration, it had been thought that any such danger lurked behind its plain words, it would never have been ratified.

The point I wish to emphasize, Mr. President, is just this: If, in February, 1942, practically every governor in the entire United States felt that the proposal to give additional compensation benefits to temporarily displaced workers and especially automobile workers as their plants shifted to wartime projects was an improper and undesirable invasion of States rights, in what way have the intervening 16 years changed the 10th amendment of the Constitution, which clearly says that all rights not delegated to the Federal Government are reserved to the States and the people thereof?

PURCHASE OF MILITARY TRUCKS FROM JAPAN ILLEGIB

Mr. POTTER, Mr. President, I should like to bring to the attention of the Senate a matter which is most shocking. It has serious consequences for working men and women in my own State of Michigan and throughout the country.

Very recently I learned that the Department of Defense, in connection with the military assistance program, is purchasing military trucks manufactured in Japan. Frankly, at first, I placed little credence in the report. I could not believe that our Department of Defense would take action so adverse to our own automotive industry and to the men and women employed therein. Unfortunately, the facts are as reported. I have verified them.

The truth of the matter is that the Department of Defense has approved for procurement in Japan, in fiscal year 1958, military trucks valued at approximately \$21 million. Moreover, in the fiscal year 1957 the Department initiated a comprehensive 5-year program to rebuild military vehicles and to procure new military vehicles in Japan. So apparently the \$21 million we are paying the Japanese automotive industry for

military trucks in the fiscal year 1958 is not the end of this tragic episode. I say tragic because that is exactly the situation for almost half a million unemployed automotive workers in my Michigan, to say nothing of the unemployed across the Nation in industries which supply the automotive companies.

I am beginning to fear that there is a great deal of truth in a comment which is making the rounds about our Government. People are saying that the Federal Government is becoming more and more like a dinosaur. The body is growing so big, the head is growing so fast, and the tail is becoming so long, that when the dinosaur is kicked in the tail, the head does not know what is happening.

Mr. President, to my mind it is unthinkable and unconscionable that our own people should be bypassed in this fashion, particularly when we remember that their taxes are helping to pay the bill.

As a member of the Senate Appropriations Committee, I shall pursue this subject most vigorously when appropriation of funds for the military assistance program comes before our committee, to see that the best interests of our own workers are protected.

Mr. ELLENDER. Mr. President, will the Senator yield for a question?

Mr. POTTER. I yield.

Mr. ELLENDER. Who purchased the trucks to which the Senator has referred? Has the Senator any facts relating to the purchases?

Mr. POTTER. Yes; I have the information. As is frequently the case, the text is marked "Confidential" and cannot be released. But I can assure the Senator that the facts are as stated. Twenty-one million dollars is being spent to purchase trucks in Japan from Japanese truck manufacturers. The Senator realizes, of course, that after the needs of the military for such trucks are fulfilled, Japanese trucks can be brought into our market in competition with American-made trucks.

Mr. ELLENDER. The Senator knows that that condition is not peculiar to Japan. As I have pointed out many times on the floor of the Senate, funds of the taxpayers have been used in order to reestablish automobile factories in Italy and France. Today the streets of our cities are cluttered with foreign-made cars. Who is responsible for that?

Mr. POTTER. The chickens are coming home to roost.

Mr. ELLENDER. The chickens are coming home to roost. I have been preaching that doctrine for years. I hope that when the foreign aid bill comes before the Senate for consideration this year the Senator from Michigan and other Senators who have been voting for such aid will take note of the situation. For the past 4 or 5 years I have attempted to prevail upon my distinguished colleagues in the Senate to look behind the fancy, generalized words which have been used to describe our foreign-aid program. I have urged them to look further than the glowing economic terms that have been given us as justification for the spending of billions of taxpayers' dollars.

And now the truth is coming home to us. I have urged that the distinguished Members of the Senate look closely and see exactly what our dollars have been doing, rather than to be content with the platitudes mouthed by the administration. But that is in the past.

Let us now, with a recession stalking our own land, look over the foreign-aid program when it comes before this body later in the session, and examine it closely. Let us look and see to what use our dollars are being put.

In the course of my inspections of our foreign-aid operations around the world, I have found waste on a colossal scale. As I have said before, and as I would like to say at this time, I am not opposed to a reasonable and realistic foreign-aid program—but I am opposed to waste. I am also opposed to any type foreign aid which converts American dollars into a direct threat to the economic security of American industry, agriculture or labor.

In our zeal to combat the rising tide of communism, let us not forget that the greatest weapon in the free world's arsenal against communism's attempt at world domination is not the latest offspring from the scientist's Pandora's box of atomic deadliness—it is the economic strength of the United States.

We must keep that thought in mind, as we attempt to get those who have received so much help from us in recent years to aid us in continuing the free world's battle.

Mr. POTTER. The Senator from Louisiana has been most diligent in past years in bringing the situation to the attention of the Senate.

We are now in a period of unemployment. In Michigan alone more than 400,000 automobile workers are unemployed. To use the dollars of the American taxpayers to revitalize an industry in Japan by purchases of trucks which could just as well be made from American industry is indefensible. Eventually such trucks will enter our market in competition with American industry.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. JOHNSTON of South Carolina. I should like to say a word with regard to the manufacture of cloth. We have been having a great deal of trouble with the Japanese in that field. Our own Government would not establish any restrictions on the amount coming into the United States. The Japanese said, "We expect to send in only a small amount." The administration said, "That is fine."

We have been unable to persuade the administration to do anything to prevent the flow of Japanese cloth into our market. Japanese cloth is made with cheap labor, which is paid less than one-fourth the wages we pay in the United States.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. POTTER. I yield.

Mr. ELLENDER. Does the Senator intend to take up the subject with the State Department and find out who is responsible for this situation?

Mr. POTTER. I do. I think the Senate Appropriations Committee should take up the subject and find out in what

other areas similar situations exist, and what other industries are affected.

Mr. ELLENDER. We do not need an investigation to find that out. From personal knowledge I can point out many instances in which we are being traded out—not only in the automobile industry, but in other manufacturing industries, as well as in the production of farm commodities.

I have been preaching that doctrine on the floor of the Senate for the past 4 years. I am surprised that so few of my colleagues have taken notice of the situation up to now. It seems that lightning must strike before they see the light.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. KNOWLAND. Mr. President, has morning business been concluded?

The PRESIDING OFFICER (Mr. MORTON in the chair). Is there further morning business? If not, morning business is closed.

The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I should like to submit a unanimous-consent agreement on behalf of myself and the minority leader and ask that it be reported. Then I shall suggest the absence of a quorum, if no other Senator desires to address the Senate.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be read.

The unanimous-consent agreement was read, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That during the further consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 30 minutes, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may from the time under their control on the

passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. JOHNSTON of South Carolina. Mr. President, I send an amendment to the desk, which I intend to call up later.

The PRESIDING OFFICER. The amendment will be received and will lie on the table.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask that the unanimous-consent agreement, as modified, be again reported. I am asking that the time be modified, to provide for 1 hour of debate on the bill, instead of 30 minutes, to be equally divided, 30 minutes to each side. I should like to call the modified agreement to the attention of all Senators.

The PRESIDING OFFICER. The proposed unanimous-consent agreement, as modified, will be read.

The unanimous-consent agreement, as modified, was read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That during the further consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement submitted by the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. What is the pending question?

The PRESIDING OFFICER. The question is on agreeing to the perfecting amendment of the Senator from Minnesota [Mr. HUMPHREY] to strike out section 6, and proposing certain changes in the text of section 5.

Mr. AIKEN. Mr. President, I see no objection to the perfecting amendment offered by the Senator from Minnesota.

It does not remove the major opposition to sections 5 and 6 of the bill. As I understand, the amendment would require the payment of the regular rates of duty on nonstrategic materials obtained under barter deals. Also, it would not require other agencies of the Government to buy nonstrategic materials from the Commodity Credit Corporation; it would leave to the Commodity Credit Corporation to hold such goods as might be obtained.

As I have said, the amendment goes only about 2 percent of the way toward meeting the major objections to sections 5 and 6. But I have no objection to any amendment which goes even that far. Therefore, I have no objection to the amendment of the Senator from Minnesota.

Mr. JOHNSON of Texas. Mr. President, as I understand, the distinguished Senator from Vermont has no objection to the amendment, so the Senate may act upon it by our yielding back the time and agreeing to the amendment. I yield back my time on the condition that the Senator from Vermont will do likewise.

Mr. AIKEN. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. HOB-LITZELL in the chair.) The question is on agreeing to the amendment offered by the Senator from Minnesota.

The amendment was agreed to.

Mr. AIKEN. Mr. President, as I understand, the pending question now is on the amendment which I offered for the Senator from Iowa and myself to strike out sections 5 and 6, the amendment now being modified to strike out section 5 only, as section 6 is no longer in the bill.

The PRESIDING OFFICER. The Senator is correct.

Mr. KNOWLAND. Mr. President, if it is agreeable to the Senator from Vermont, I yield to the Senator from Kentucky 5 minutes from the time on the bill.

Mr. AIKEN. That is agreeable.

Mr. MORTON. Mr. President, I feel that a certain amount of barter has its place in the Public Law 480 program. I think it is beneficial, and I favor a certain amount of it. But I think there is confusion in the minds of many persons about how the barter program works. People think of barter as a trade. They think we trade wheat for, let us say, platinum.

The way the barter program has worked has been that we sold wheat, for example, through private channels for either dollars or currencies which were convertible, for the most part, into dollars. With those funds we would go to some other country and buy raw materials, largely through private channels.

Much has been said of the May 28 press release of the Department of Agriculture, which had the effect of practically shutting off the so-called barter program. I am not too happy about certain features or paragraphs of that release. Specifically, I am not happy about item 6 in the release, which precludes the processing in this country of any material which is received in barter.

In other words, if an ore which is to come into the United States is in a raw state, in a condition of dust, so that it might blow away and is expendable, it will be processed into another state, so that it will keep indefinitely. This processing has to be done overseas, according to item 6 of the May 28 release, and I am not too happy about that. I know there are certain reasons for it, but I feel that that policy should be reviewed and changed.

There are other features in the release, which is in the nature of regulations issued by the Department of Agriculture, which I think should be liberalized so that the amount of barter could be increased from its present level, which is very low, to an amount which would be more realistic.

I have great fear that the bill before the Senate will overencourage bartering. It is true, as the bill provides, that a ceiling is established at \$500 million a year, and that no floor is established. But it is clear from the report and from the debate so far that the \$500 million is a figure which the proponents of the bill hope will be attained, and they strongly suggest that the Department of Agriculture barter \$500 million worth of products a year.

Why are some persons so much concerned about including in the law a provision to require the exporting of \$500 million of surpluses through barter? If the bartered material is, in the first instance, sold in most cases for dollars, or if not for dollars, for pretty sound currencies, why the barter provision? That is clear, and we find the explanation in the report on the bill. Those who engage in the barter get a price advantage over those who engage in selling United States agricultural surpluses for cash.

On page 4 of the report we read:

Barter arrangements of this type contribute to increased exportation of agricultural commodities in two ways as follows: (1) the barter contractor pays the exporter a commission, or in some similar manner, the exporter is enabled to reduce the export price slightly, and thereby sell the commodity.

Somehow, through the use of money, or a profit made on the incoming article in the barter transaction, but in the same manner, a price advantage is given to the exporters who use the barter method over the exporters who sell for cash. Those who used the barter method were stepping pretty high for a time in the free use of money. They took money of which they had the free use, and that was more than the profit they needed. So they cut their price to move the material.

That is fine. I favor aggressive selling. I think it is necessary to be aggressive in getting behind the moving of surpluses. But let us not do so in direct competition, and in a way that is injurious to the hard-working exporters who have been for years and are now engaged in selling American agricultural products abroad for cash.

In my own State we have an example of this. There are many exporting firms which have remained in the same families for generations. They are highly

specialized firms. Their entire effort is directed toward the export of the various types of tobacco grown in Kentucky and elsewhere in the Southeast. There is a highly specialized business. Those firms have been having hard times lately. It is not their fault. The fault is that the price of tobacco on the world market is high, and the volume, therefore, has dropped. But the skills, energies, and talents of the tobacco-exporting firms are being preserved, because of the specialized effort necessary to export tobacco.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. AIKEN. I yield 3 more minutes to the Senator from Kentucky.

Mr. MORTON. We cannot afford to have those people go out of business, we shall need them. They do not know a thing about importing platinum, chrome ore, tung oil, or anything else of that nature. The firms I have mentioned are not able to remain in business when the international traders in New York get the business, and it goes outside normal channels.

There is a long-range aspect of the matter which is for the benefit of the American farmer. We are confronted with an immediate problem. That problem is to dispose of surpluses.

I want to see Public Law 480 continued, and I want to see the barter provision continued. There is not enough bartering at present. But I fear that if the amount is increased to \$500 million a year, we will not know how many years it will continue—we have already had pressure to provide for 2 years—and the pressure will increase to have the amount increased to \$1 billion a year.

If the measure shall be enacted in its present form, I am of the opinion that those who are specialists in the exporting of agricultural products, those who know how to aggressively sell them on the world market, will be forced out of the picture entirely by international traders who are specialists, perhaps, in platinum, diamonds, star sapphires, or something else of that nature.

Certainly our tobacco exporters in Kentucky do not pretend to know anything about practice, and they should not be forced into competition with the big New York, international operators who will pick up the tobacco and, because they know how to buy industrial diamonds and how to make use of their money and how to proceed in the other ways, undersell the American exporter who confines his efforts to the specialized field in which he has always dealt.

For these reasons, Mr. President, I shall support the amendment submitted by the Senator from Vermont.

In conclusion, I wish to say that I favor passage of the bill as a whole, and I am not opposed to barter. I came to this position after listening faithfully, to the debate for 2 days.

I do not believe that the Department of Agriculture, in its argument against the bill, has made a good case. I believe we should review the regulations of May 28.

I do not wish to see this matter opened up in the way in which it might be

opened up by means of this bill. Under the pressures which are to come, the total might far exceed \$1 billion a year.

Mr. HUMPHREY. Mr. President, as I understand, on the pending question 15 minutes is available to each side.

The PRESIDING OFFICER (Mr. HOB-LITZELL in the chair). That is correct.

Mr. HUMPHREY. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 10 minutes.

Mr. HUMPHREY. Mr. President, I appreciate the views which have been expressed by the Senator from Kentucky.

I believe there are some points which it might be helpful to clarify.

There is no argument about the necessity to give reasonable assistance to the farmers, under the terms of the Commodity Credit Corporation Act or under the terms of Public Law 480.

The issue is over language contained in the pending bill, as contrasted to the language of Public Law 480, the existing statute.

The language of the existing statute has been interpreted by the Department of Agriculture in such a way as to limit severely the barter operations. That has been done under the doctrine of what is called the certificate of additionality. That is the source of about the only argument in this case.

However, during the debate, some points which have been raised need to be clarified, in my opinion, for the sake of the integrity of the Record.

Mr. President, I have met with those who handle the barter program. They testified before the Senate Committee on Agriculture and Forestry.

A large number of scare arguments have been raised during the debate. But they have no merit in fact, and they have hardly any merit in fiction.

For example, one argument which has been made has been that under the barter program the country would be flooded with materials other than strategic materials. I have been informed by responsible officials of the Government—and, by the way, that information is set forth in the Senate committee hearings—that any barter agreement is undertaken only after a procurement directive has been issued by the Government of the United States, or after a request for particular materials which are not available on the American market has been received from a Government agency.

The Department of Agriculture does not barter willy nilly, under the barter program. The Department barterers on the basis of procurement directives and specific requests from another Government agency.

Furthermore, all these directives and all these procurement requests are arrived at only after all departments of the Government that are concerned have been heard from. For example, the following participate in consultations in an interdepartmental committee: Representatives of the State Department, who endeavor to determine the effect of any proposed barter on our foreign policy;

representatives of the Department of Commerce, who endeavor to determine how such barter would affect our domestic industries; representatives of the Department of the Interior, who endeavor to determine what the proposed barter arrangement might do to our domestic metals or minerals; representatives of the General Services Administration, which is responsible for giving technical advice on bartering to the Department of Agriculture; and representatives of the Office of Defense Mobilization, which is responsible for the overall national policy regarding strategic and critical materials and stockpiling.

I am attempting to state what the record reveals, namely, that no barter arrangements are arrived at simply on the basis that someone wishes to engage in barter. The Department of Agriculture is not required to barter for any particular commodity. It barterers only when it finds that bartering is in the public interest.

Furthermore, there have been some statements to the effect that under a barter arrangement which might be made, tung oil or wool, for example, might come into the United States and be in the possession of the Commodity Credit Corporation. Of course, such statements are based on the theory that the Secretary of Agriculture, who has the responsibility for the barter program, would exercise such poor judgment as to cause the American market to be flooded with agricultural commodities—if the limitation contained in the bill could be said to make possible a flood. Such statements are made on the supposition or presumption that the Secretary of Agriculture is incompetent or is willfully malicious.

Mr. President, I do not make such an assumption, and I do not think there is any evidence that such things have been done under the barter program.

Furthermore, under the barter program the Secretary of Agriculture barterers only for commodities which are required by another Government agency, or approved for stockpile purposes by a procurement directive. For instance, he will barter for commodities which are required by the Department of State, and will do so at its request; or he will barter for commodities which are required by the Department of Defense, and will do so at its request; or he will barter for commodities which are required by the Office of Defense Mobilization, for the national stockpile or the supplemental stockpile, and will do so at its request. That is the way the program operates.

However, we find that there exists a considerable amount of misinformation regarding the economic operations of the barter program.

I have checked to ascertain who favors an expanded barter program. I find that an expanded barter program is favored by, among many others, the National Foreign Trade Council, which is composed of representatives of some of the largest companies in the United States—for instance, General Motors Corp., the Singer Co., the International Business Machines Corp., and the Inter-

national Harvester Co., a number of great exporting companies and great domestic producers. At its conference of last fall, the National Foreign Trade Council went on record in support of an expanded program of barter for strategic and other materials which are in short supply in the United States—in other words, such materials of which the United States does not have a sufficient supply.

So we find that some of the greatest industries of the Nation have been calling upon the Department of Agriculture and, through it, upon the Government, to expand the barter program for strategic and other materials of which a sufficient supply does not exist in the United States. That is exactly what is covered by section 303 of the pending bill.

Mr. President, I have checked further in order to reassure both myself and my colleagues. I have checked with the Department of Agriculture and with the Department of the Interior. I find, for example, that before any metal or mineral is bartered for, the Government of the United States checks with American industry, American labor, and the American market to make sure that whatever may be bartered for will not have an injurious effect upon the American market but, instead, will have a helpful effect.

For example, let me point out that I have been assured that the ferrochrome industry, which has huge processing plants throughout the Nation, was producing at about 45 percent of capacity before the barter program went into effect approximately 2½ years ago. In other words, unemployment existed and the facilities of the industry were not being properly used. However, after the barter program went into effect, and after ferrochrome metals were made available to the processing plants, the results were 95 percent employment and 95 percent production. Today the barter program has been cut off, and today the ferrochrome industry is operating at 40 percent of capacity and unemployment again exists in that industry. The same was true as to lead, and the same was true as to zinc.

The other day I heard reference made to fluorspar. It was stated that under this program it might be possible to bring into the United States fluorspar which would have an injurious effect upon the American fluorspar industry. However, I find that the only material for which our country has bartered is what is called the acid type of fluorspar—a type which the United States does not produce, but which is needed by the United States.

So, Mr. President, I am attempting to say to my colleagues that everything that is done under the barter provision is done upon the advice of the most capable experts in the Government.

Finally, the Government of the United States reports to the Senate that on barter arrangements we have made money. We have bought materials for our stockpile, thereby being able to give stability to the American metal and mineral market. I regret our friends from Western States are not present to hear these statements. We have pur-

chased those materials, in all instances, at competitive prices, where we have been able to get strategic materials for our Government at world market prices at a saving to the taxpayers of the United States.

This is not my word, Mr. President; it is the word of the Department of Agriculture, which is responsible for the barter program. It is the word of the Office of Defense Mobilization and of the General Services Administration. In other words, we have saved money on the barter program, in terms of cost of materials we have acquired. We have saved money on the barter program in terms of storage savings on agricultural commodities that have been sold under barter. We have improved American industry under the barter program. We have given employment under the barter program. We have been able to liquidate some of our agricultural stocks under the barter program, for good and sound reasons.

I checked out every line of the language of this amendment insofar as the words relate to both the critical stockpile and the supplemental stockpile. The language in the bill has the same effect as in the previous law, Public Law 480. What really is required, and it is the difference between what we now have before us and what the law is at present, is the emphasis which the Congress places on the Department of Agriculture to barter when it is in the public interest, to barter where we can make savings, and to barter for supplies that do not deteriorate.

It has been stated that we have too many industrial diamonds. I want to make the record clear that every machine tool industry using high-grade steels requires industrial diamonds. Mining operations require industrial diamonds. While for a period of time, we have had more industrial diamonds than the American market can absorb, industrial diamonds are absolutely necessary to an industrial society.

We produce 5 percent of our platinum needs. The Soviet Union produces 85 percent of the world's platinum. We have to scrounge around the world's market to get our share of the other 10 percent, where, if we have been able to get it, we have either been paying exorbitant prices on the world market or we have been able to barter to fill our platinum stocks.

The PRESIDING OFFICER (Mr. HOBLITZEL in the chair). The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. I yield myself the remainder of the time allotted to me.

I see present the Senator from Montana [Mr. MANSFIELD]. I want him to know I have doublechecked again this morning with those responsible for the barter program, insofar as metals and minerals are concerned. The analysis of the information I have received shows that under the barter program the American minerals and metals market has been strengthened. Under the barter program all of the minerals and metals are sealed off, and it takes a joint resolution of Congress to take anything out of the supplemental stockpile. It

takes an act of war to make it possible for the President to take those materials out of the strategic stockpile or is required that Congress be notified, and nothing can be done for 6 months, during which time Congress can approve or disapprove such action.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. Does that apply to the supplemental stockpile as well?

Mr. HUMPHREY. Yes.

Mr. MANSFIELD. The Senator from Minnesota has stated that our supply of platinum is short; but we are not short in manganese, tungsten, lead, or zinc. What is the status with reference to those metals? Will there be any bartering as to them?

Mr. HUMPHREY. Not if we have what we need. What we do is seek the advice of the industry. We seek the advice of the industrial group, as well as the workers. We seek the advice of those who do the processing. We seek the advice of the General Services Administration and the agency having jurisdiction. Unless the acquisition of the metal is to the advantage of the national security or is to the advantage of our own industry, it is not bartered for. If it is obtained, it is locked up, and thereby bolsters our market.

Mr. MANSFIELD. Am I to understand that if the Senator's proposal is adopted, insofar as the stockpiling of lead, zinc, manganese, and tungsten are concerned there will be no additions, even in the supplemental stockpile?

Mr. HUMPHREY. There may be additions, but only if they are sealed off, only if they in no way depress the American market, and only if they have a tendency to augment or improve the American market. I get that information from the responsible officials of the Department of Agriculture who are responsible for the barter program.

Mr. MANSFIELD. The Senator has also contacted the responsible officials in the Department of the Interior, has he not?

Mr. HUMPHREY. Yes; and they have testified.

Mr. MANSFIELD. Has the Senator contacted any persons in the industry?

Mr. HUMPHREY. I have only telegrams from industry, which I read yesterday. I have not confined my time to members of the industry.

Mr. President, I wish to conclude. Yesterday I heard it said that the barter program might disrupt our foreign policy. I submit that there is no evidence to lead to that conclusion. I checked with the German desk in the State Department with the assistant in charge of German economic affairs. He denies flatly that there has been any request from the German Federal Ministry of Agriculture to the State Department, as was indicated on the floor yesterday. All incoming and outgoing communications between the State Department and the German Ministry would have to go over this State Department desk and be cleared by it. There have been no outgoing communications from the State Department to Germany on this matter, either as of

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yesterday or today. The State Department informs me that if any such communications have been exchanged, it has been outside the State Department.

The office of the agricultural attaché at the German Embassy in Washington, Herr Schlange-Schoeningen, informed my office this morning that there have been no inquiries initiated or communicated to or from the Embassy either to the State Department or to the Agriculture Department on this issue. Surprise was expressed that information about yesterday's grain market in Berlin was available for use yesterday in the Senate. Actually, the Berlin grain market is a limited and special situation, anyway, and the Hamburg market is the important one in Germany. If any communications took place between the German Federal Ministry of Agriculture in Bonn and the American Government, the German Embassy here does not yet know about it, and the only remaining possibility would seem to be direct communications between the German Ministry and the United States agriculture attaché in Bonn, and through him to the Agriculture Department. Yet as far as can be determined there is no record of such communication in the files of the Foreign Agriculture Service, to which the attaché reports.

I say this because I do not want to disrupt our foreign policy. I checked the matter this morning with the State Department, the Department of Agriculture, and the German Ambassador. I can say for the Record there is no information of record in the files of our Government that the German market on grains has been in any way upset because of what we are contemplating.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. AIKEN. Mr. President, I yield myself such time as I may need.

I think we had better take last things first. In reference to the State Department getting any communication from Germany respecting the amendment and the possible effect on grains, I have a copy of a communication to the State Department which is listed as unclassified, and which was received by the Department on the 18th of March, reading:

There is a rumor in the German grain trade that if German Government will certify that feed-grain imports are in addition to usual commercial imports there is a program in United States whereby feed grains can be purchased—

A note on this paper says the program referred to is the barter provision of the bill—

whereby feed grains can be purchased, from now through September 30, 1958, at 4 to 10 percent less than normal export price. If above possible, the trade is of opinion some quantities of barley and grain sorghum could be moved under replacement procedure.

Federal Ministry of Agriculture has had several calls and are asking us for confirmation of such a program and also if there is an official form upon which to certify. "In addition to usual commercial imports." What criteria used for determining "In addition to usual commercial imports"?

That is a cablegram from our Embassy in Berlin.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. AIKEN. I do not have too much time, but I yield.

Mr. HUMPHREY. I only wish to say that the cablegram may be from our Embassy, but to whom I do not know.

Mr. AIKEN. That is correct. The cablegram came from the Embassy in Berlin.

Mr. HUMPHREY. Within an hour before I came to the Senate today—or perhaps 2 hours—at slightly after 11 o'clock, I talked with the State Department, and the State Department informed me that the German desk, over which all materials would have to move, denies flatly that there has been any request from the German Federal Ministry of Agriculture to the State Department regarding this matter.

Mr. AIKEN. I think it is very evident that the request was made of our Embassy in Berlin, rather than the German Embassy in Washington.

Mr. President, I should like to reply to one other point which has been made this morning, and that is the point with regard to lead, zinc, and strategic materials which might be bartered for under the proposed change in the law.

The lead and zinc which have been brought in up to this time have been put in either the strategic stockpile or the supplemental stockpile. Lead, zinc, and other minerals brought in if the bill shall be enacted will have to be held by the Commodity Credit Corporation itself, unless those in charge of the stockpiles will accept such minerals, which they probably would not do at the present time. Therefore, the cost and the expense would have to be borne by the Commodity Credit Corporation and be charged up to our farm programs.

Mr. President, although the perfecting amendment of the Senator from Minnesota to section 5, which has been approved this morning, improves the language somewhat, it does not remove the major objection to section 5 of the bill, which the amendment I have offered would strike out.

Section 5 of the bill would, first, direct the Secretary to barter up to \$500 million worth of agricultural commodities a year even if such transactions would not conserve the assets of CCC and the Federal Government, but would dissipate them.

Second, direct the Secretary to barter even though the so-called barter transactions would merely replace cash sales for dollars and would have a tendency to drive down the price which CCC would receive for its remaining sales for cash, and

Third, require the Federal Government to pay storage on unspecified materials to be imported if the imported materials have storage cost and deterioration risks lower than agricultural commodities owned by the CCC even though such materials could not be used in the foreseeable future.

In other words, the Commodity Credit Corporation might trade its assets for materials, strategic and otherwise, which would be imported into this country, but unless there were a ready disposal either

to the stockpile or to others the CCC might have to carry the commodities for an indefinite period of time.

I do not want it to be understood that I am opposing barter, if through barter we can do business which is absolutely in addition to the amount of business we are doing for dollars. However, section 5 of the bill is still entirely too broad. It throws the gates wide open. It would make it possible to undercut our own foreign trade and reduce prices, as I have indicated, and also to disrupt the trade of other countries.

I do not believe Germany would object to the barter provisions. I think Germany might make a dollar through them, by buying for less than the world market price. But I believe that other countries such as Canada, Australia, Argentina, and possibly France would object to this method of price cutting.

The situation got so bad last fall that the Canadian top officials requested a conference with the top officials of the United States, and as a result of the conference the two countries entered into an agreement. We signed an understanding with the Canadian officials to the effect that we would stop cutting the market out from under them, with particular reference to wheat, barley, rye, and such commodities the prices of which they felt were being undercut through barter transactions.

Mention has been made of the possibility of bartering for platinum under the proposal. Certainly we can barter for platinum under the proposal. We can barter for platinum under the law which we now have. I understand that our Government is willing to barter for platinum, but the other folks do not want to trade us platinum that way. Platinum is in such demand throughout the world that it is not necessary for them to barter with us on platinum.

I would not want to depress world market prices or even prices for our own people at home. It seems incredible that the acquisition of large amounts of materials such as we would get in return for bartering on a large scale would not depress our markets here at home.

Section 5 is opposed not only by the Department of Agriculture, but also by the Department of State and by the Department of Commerce.

The present law is adequate to permit bartering for materials which we need, but it does not require bartering for materials which we already have in adequate supply, or which we could have in adequate supply. It certainly is no encouragement to our own mineral producers in the United States when we give authority to an agency of Government to swap surplus farm commodities for surplus minerals and materials from other countries. The effect would be to take surpluses off the hands of other countries, which would encourage greater production, thereby discouraging production of certain materials in the United States.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I yield.

Mr. PASTORE. Do I correctly understand the Senator to mean that coun-

tries which have strategic materials we need would prefer to sell them to us for hard cash, but the only attraction presented is that those countries will get wheat and other agricultural commodities below the world market price, which is the only inducement to sell to us the strategic materials?

Mr. AIKEN. The effect of section 5, which I am trying to have stricken from the bill, would be to require the Department to barter for those materials whether we needed the materials or not, and stockpile them perhaps for the next 30 or 40 years. The list of materials which will be accepted for the supplemental stockpile and the strategic stockpile has been restricted to a very few at the present time. I think originally there were 58 materials which would be accepted, but most of them have been eliminated.

Mr. PASTORE. Is the attraction essentially one to get rid of surplus agricultural commodities, or is the attraction one to bring to this country materials we need?

Mr. AIKEN. Well, if it were restricted only to materials we needed, that is covered in the present law.

Mr. PASTORE. What is the purpose?

Mr. AIKEN. The proposal would require the Department to barter for things we do not need, provided the Department could make a trade of surplus farm commodities for them.

Mr. LAUSCHE. Mr. President, will the Senator yield so that I may ask a question?

Mr. AIKEN. I yield.

Mr. LAUSCHE. The present law authorizes the Commodity Credit Corporation to barter for strategic materials, does it not?

Mr. AIKEN. The Senator is correct.

Mr. LAUSCHE. By "strategic materials" we mean those which are in scarcity in our country, do we not?

Mr. AIKEN. We mean those materials which can be accepted either in the strategic stockpile or the supplemental stockpile.

Mr. LAUSCHE. The language which the Senator from Vermont seeks to strike is language which would expand the power of the Commodity Credit Corporation and direct it not only to barter for strategic materials, but to barter for other materials which we might need.

Mr. AIKEN. It directs the Secretary to barter whether we need them or not. It directs him to barter for materials of which the United States does not produce enough for its own needs. The criterion to be used would be whether we import such materials in some quantity at the present time. Any materials which are imported at the present time—and I would include lead, zinc, pulpwood, paper, and such things as that—could be bartered for.

Mr. LAUSCHE. Am I correct in understanding that, unless the language which the Senator from Vermont seeks to strike is stricken, the Commodity Credit Corporation will be obliged to barter, not only for strategic materials, but all other materials, provided it finds barter to be practicable?

Mr. AIKEN. It will be directed to barter for such materials if those materials are not produced in sufficient quantity in the United States. There are many commodities with respect to which we would like to encourage domestic production, which materials would come in this category merely because we are not now able to meet foreign competition in cost. This proposal would reduce the possibility of reopening some of our mines or expanding some of our present mining operations.

Mr. LAUSCHE. Is it true that under the present law these objects are achievable at the discretion of the Commodity Credit Corporation, through the advice which it receives from the various departmental heads; but that under the language which the Senator from Minnesota has offered, barter would become practically mandatory?

Mr. AIKEN. The Senator from Ohio has correctly explained the situation.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MANSFIELD. Following up the question raised by the distinguished Senator from Ohio, am I to understand that at the present time it is possible for the Secretary of Agriculture to barter surplus agricultural products for lead, zinc, manganese, and tungsten?

Mr. AIKEN. I do not think it would be possible unless they were needed for the supplementary or strategic stockpiles. According to my interpretation this proposal would direct the Secretary to barter whether they were needed or not. But if they could not be transferred to the stockpile, or sold to other agencies of the Government, they would have to be held by the Commodity Credit Corporation itself.

Mr. MANSFIELD. But under the proposed system it would be possible for the Secretary, in exchange for surplus agricultural products, to obtain those four minerals on a barter basis.

Mr. AIKEN. Yes.

The PRESIDING OFFICER. The time of the Senator from Vermont has expired.

Mr. AIKEN. I yield myself 2 minutes on the bill.

Mr. SYMINGTON. Mr. President, will the distinguished Senator yield?

Mr. AIKEN. I yield.

Mr. SYMINGTON. Does the Senator say that under this language the Secretary of Agriculture would be forced to sign contracts which he might think were not in the best interests of the economy of the United States? As I understand, he is directed to look at any proposed arrangement, but he is not directed to close a deal.

Mr. AIKEN. The part of the present law which requires conserving the assets of the Commodity Credit Corporation and the Government would be stricken out by section 5, and the Secretary would not be required to conserve the assets of the Commodity Credit Corporation.

Mr. SYMINGTON. Under the amendment of the distinguished Senator from Minnesota, as I understand it, and based

upon the hearings on this amendment, the Secretary would be directed to look at the possibilities of barter, but he would not be directed to make any contracts to barter which he thought were wrong. He would not be forced to enter into an arrangement which would be against the best interests of the United States.

Mr. AIKEN. The Secretary would be directed to barter up to \$500 million worth of agricultural commodities a year, even if such transactions would not conserve the assets of the Commodity Credit Corporation and the Federal Government, but would destroy them. The Secretary would be directed to barter, even though the so-called barter transactions would displace cash sales for dollars, and would have a tendency to drive down the prices which the Commodity Credit Corporation might receive for the remaining materials, in cash. That is the interpretation by the Department of Agriculture, and I think it is correct.

Mr. SYMINGTON. This interpretation by the Department of Agriculture does not surprise me too much, because there has never been any real effort made to enable the Department to execute practically what the Department says it would like to do, namely, find new markets. The language may be a little strong, but, based upon my business experience, in my opinion the Department's interpretation is completely wrong.

Mr. AIKEN. Barter was intended to develop markets in out-of-the-way places in the world, in addition to business which would otherwise be done. The international concerns engaged in bartering have developed business in such out-of-the-way places as London, Berlin, The Hague, Antwerp, and Paris. I presume they were very much surprised to find people living in those out-of-the-way places. [Laughter.]

The PRESIDING OFFICER. The time of the Senator from Vermont has expired.

Mr. AIKEN. I yield myself 2 minutes more.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. SYMINGTON. The platinum market is soft. We have as much platinum as we need in the stockpile, one of the chief reasons being the development of palladium, a comparable element.

It surprises me to learn that people who are not interested in moving the agricultural products of the country, however, would not rather have a bar of platinum which has no storage problem, than a good many tons of some agricultural product.

Mr. AIKEN. I think I would rather use my time to discuss the merits of the amendment, rather than the merits of the officials of the Department of Agriculture.

Mr. ELLENDER. Mr. President, I yield 3 minutes to the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, I asked for 3 minutes merely to set the record straight.

I have consulted with officials of the Department of Agriculture; and it is not true that this proposal is a directive which says, "You must barter, regardless of consequences."

The persons in charge of barter operations in the Department of Agriculture informed the Senate in the hearings that barter arrangements are made only after careful consultation with the Department of State, the Department of Commerce, the Department of the Interior, the General Services Administration, and the Office of Defense Mobilization.

Furthermore, barter arrangements are entered into only when there is a procurement directive, approved by an interagency committee or from a department of Government which requests the Department of Agriculture to barter for a specific purpose.

Let me give an example. During the Korean war we needed wool blankets. They were in short supply in the United States. The ICA, in an emergency request, asked the Department of Agriculture to barter cotton for wool blankets. That is a specific example.

Moreover, any minerals or metals are covered by the supplemental stockpile and by the national stockpile. While the Commodity Credit Corporation, even now, has some metals in its possession, they are in process of being shifted into the stockpile when appropriations are made by the Congress for their absorption.

Those who have had any experience under this program flatly deny what has been said by those opposed to the amendment. This amendment does not demand that the Secretary of Agriculture barter willy-nilly. What it does provide is that, if it is in the national interest—and if we use the same procedures as were used before the barter program was closed, it will be in the national interest—the Secretary should barter.

The amendment merely provides that the Secretary shall take a look at the proposed barter arrangements, and determine whether the arrangement would be to the best interests of our country.

I have heard a great deal about international traders. One of the international traders which officials of the Department of Agriculture list as being a barter contractor, and one to which I point with pride, is Land O'Lakes Cooperative Creamery—a terrible octopus, an international trader.

Here is another one on the list. Mariner & Co., Inc., of Lawrence, Mass. Here is another one. The Kincaid Cotton Co., Gastonia, N. C. The International Minerals & Metal Corp., of New York. The Land O'Lakes Creameries, of Minneapolis, Minn. The Lentex Metal & Chemical Corp., of New York. H. Kempner, of Galveston, Tex. The list shows 125 companies. They are mostly large American corporations, who are in the exporting business. Every witness from this group before the committee testified in behalf of barter. Of course, barter is not the full answer, Mr. Presi-

dent, but it is an additional tool for expanded marketing operations.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. Soon we will be asked to vote on a \$4 billion foreign aid program. Some of the aid will go to foreign countries in the way of machine tools. These tools may well be used in the manufacture of automobiles, which will be made in the foreign market, and which will then compete against our own automobile production. Our automobile industry will feel that competition. I do not say that is wrong, that we should extend assistance to our friends and allies, in the expressed interest of our own security.

What is wrong, I say, inasmuch as most of these countries need food very badly, is that there seems to be a great desire on the part of this administration to establish policies which give away components of our wealth which produce further wealth; namely, dollars, machine tools, and so forth. At the same time, despite the fact we now have employment shortages, the administration apparently does not want to make any real effort to move to these countries the food that we have in such surplus, and which nearly all these countries need. Is there any logic to such a course?

Mr. HUMPHREY. No. All I can say, and I say it most respectfully, is that this is not an effort to dump, and the fact, as shown by the record, is that sometimes we will get a little better price in that way that we would in the open market.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield 1 more minute to the Senator from Minnesota.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. It takes 12 to 14 pounds of manganese to make a ton of steel. Does the Senator see any reason why, since we have these agricultural surpluses, that the Secretary of Agriculture should not be told to find out whether he can get rid of some of these surpluses, to help our own economy; by bartering, if he can do so, instead of having either hard line materials given away, or agriculture products given away.

Mr. HUMPHREY. The Senator's point is well taken. Most responsible officials that I have discussed the matter with favor the barter program. For example, it has resulted in a saving of \$103 million in storage cost alone. I call that particularly to the attention of the Senate.

Mr. AIKEN. Mr. President, I yield 30 seconds to the Senator from Utah [Mr. WATKINS].

Mr. WATKINS. Mr. President, I have prepared a statement on the bill which I ask unanimous consent to have printed in the RECORD, together with several related matters.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMENDMENTS ELIMINATING SECTIONS 5 AND 6 OF S. 3420, A BILL TO EXTEND AND AMEND THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

The purpose of this amendment is to eliminate sections 5 and 6 of the bill before us. These sections of S. 3420, if enacted into law, would direct the Secretary of Agriculture, among other things, to barter up to \$500 million worth of surplus agricultural commodities per year, for materials of which the United States supposedly does not domestically produce its consumptive needs.

A short historical review of the barter program as conducted under the Agricultural Trade Development and Assistance Act of 1954 is in order at this point. Such a review will make it plain why I oppose amendment of section 303 of that act as provided for by section 5, and why I oppose amendment of section 206 of the Agricultural Act of 1956 as provided for by section 6 of this bill as well.

Section 303 of Public Law 480 authorizes the Commodity Credit Corporation to barter surplus agricultural commodities for "strategic materials entailing less risk of loss through deterioration or substantially less storage charges," among other things, when there is opportunity to protect the funds and assets of the CCC by so doing. As the seventh annual report of the activities of the Joint Committee on Defense Production (January 16, 1958) indicates:

"To date the acquisition of strategic materials through CCC barter agreements has been limited to materials listed within the Office of Defense Mobilization procurement directives for both the strategic and supplemental stockpiles" (p. 59).

At the end of April 1957, the barter program was suspended so as to enable the Department of Agriculture to develop safeguards against the substitution of barter transactions for dollar sales without net gain in total export of agricultural surpluses. Another factor involved was the growing volume of complaints that minerals acquired as a result of the barter program were having an adverse effect upon domestic mining operations, especially lead and zinc.

Toward the end of May 1957, the barter program was resumed under revised policies which insured that a proposed barter transaction will mean a net increase in United States exports in order to insure against simply replacing dollar sales. Thus the remedial program does not provide as ready a market for foreign minerals as had been done in the past.

As we all know, the United States is dependent upon foreign sources for certain strategic materials. However, it is not dependent upon foreign sources for over one-half of all of the kinds of materials contained in the strategic and supplemental stockpiles. Not only that, but also several of the strategic materials for which surplus agricultural commodities have been bartered actually consist of minerals of which we have an abundance right here in the United States.

For example, over one-half of the value of the 24 supplemental stockpile materials delivered from July 1, 1954, through December 31, 1957, consists of fluorspar, lead, and zinc. These are minerals, the domestic prices of which have been depressed by excessive foreign imports, over the past few years. This factor, coupled with the economic recession, has resulted in excessive and prolonged unemployment in these mining industries.

I point these facts out, Mr. President, because in my opinion amendment of section 303 of Public Law 480 could well work to the further detriment of our domestic lead and zinc mining industry, including additional minerals such as copper and coal as well, which along with lead and zinc are depressed industries at the present time.

It is understandable that the Committee on Agriculture and Forestry should try to find and develop means and methods of expanding the demand for agricultural commodities. Especially is this true in light of the news recently released by the Department of Agriculture that exports of farm commodities during the first half of the current fiscal year were down 10 percent from the dollar volume of a year earlier.

But I submit that the Congress should not in its zeal to find additional outlets for agricultural commodities take steps which will transfer that industry's problem of "diverted acres" and resulting oversupply to the domestic mining industry. This I believe could well be the case if sections 5 and 6 are not eliminated from S. 3420.

I say this because section 5 removes the necessity of a finding by the Secretary of Agriculture that by bartering surplus commodities there is an opportunity to protect the funds and assets of the Commodity Credit Corporation. It would require him, in effect, to barter up to \$500 million annually of surpluses for any material—not just strategic materials, which, in his judgment, are not produced domestically in large enough quantities to meet our requirements, whatever that term may mean. Enactment of section 6 of the bill then would permit the duty-free entry of such materials.

No criteria are contained in sections 5 and 6 which the Secretary of Agriculture could use to determine exactly what are the materials of which the United States does not domestically produce its requirements. I suppose since the bulk of United States lead and zinc consumption is coming from foreign imports, it could be said that we do not produce our own requirements. But what a farfetched position that would be to take, since our miners and mines are capable of supplying a major portion of our own lead and zinc requirements, if it were not for the fact that cheap foreign imports have been permitted to flood this country for several years now.

Yet, there would be no reason why the Secretary of Agriculture could not, if sections 5 and 6 are enacted into law, barter surpluses for lead and zinc. In fact, based upon the amount of lead and zinc in the supplemental stockpile, and the depressed world price, I suspect there might well be strong pressure generated to force him to do it. The same could be said for copper, coal, fluorspar, and other minerals as well.

As the Secretary of Agriculture put it so well in his letter of March 11, 1958, to the chairman of the Committee on Agriculture and Forestry in opposing enactment of sections 5 and 6 of this bill:

"There are powerful forces urging opening the throttle on a barter program. An analysis of the reasons therefore is in order.

"This country is in a position to buy for current consumption all the foreign produced materials the economy requires. Legislation exists for the procurement of all the materials deemed prudent to stockpile for future emergency defense needs. The rate and extent of such procurement is limited only by appropriation by the Congress. In spite of the zeal to substitute barter for normal exchange, the United States dollar can still be utilized to better advantage in world markets than our agricultural commodities. Then why do we have such strong pressures for a wide open barter program? The fact is that a surplus situation exists in the world for many materials. The producers of these materials in the foreign countries and importers of these materials into this country want a price support and surplus removal program for these materials. . . .

"There are a few materials such as industrial diamonds of which there is no domestic production. Of the rest, the world production affects domestic producers by their competitive price in the United States market. The removal of and insulation from the

market of those surpluses may provide a temporary price stabilization to domestic producers of such materials. Such was the result of rather extensive barter transactions involving lead and zinc in the past. An artificial outlet at profitable prices can only stimulate foreign production. When the Department of Agriculture realized the folly of serving as a dumping ground for foreign surplus lead and zinc with little resultant gains in the disposal of agricultural commodities we stopped the program for reappraisal. The domestic lead and zinc industry felt the full impact of the price-depressing effect of this stimulated foreign production. Such will be the inevitable result on other domestic producers of barter materials under a barter program which provides an outlet for surplus foreign materials and serves as a stimulant for further expansion of such surplus production."

In this connection, Mr. President, I should like to point out that the Combined Employment and Unemployment Release, February 1958, issued on March 11, 1958, by the Departments of Commerce and Labor indicates that between January and February 1958, the number of men on mining payrolls declined by 14,000. In February 1958, the percentage of the labor force in the mining industry who were unemployed stood at 11.5, an increase of nearly 2 percent over January 1958. In my own State of Utah, there has been a loss of 2,400 mining jobs in the last 6 months. In addition, 1,519 unemployed miners were claiming unemployment insurance during the week ended March 15, 1958. This latter figure compares with 464 during the comparable week in 1957.

I am attaching three short statements of recent date, which depict a desperate plight of the copper, coal, and lead and zinc industries to be printed at this point in my remarks.

I am not opposed to a barter program per se, but I am opposed to an "open the throttle" barter program, as the Secretary of Agriculture termed the kind of program which would be created by enactment of sections 5 and 6 of this bill. American miners and their families, as well as the mine owners of this country, should not be obligated to assume the burden of an unwise price-support program of past years, which has resulted in the production of surpluses greatly in excess of market outlets. Solving the problem of excess agricultural production belongs to agriculture; it is not the responsibility of the American mining industry, which has suffered enough injury through excessive imports permitted by our reciprocal trade agreements policy.

Before voting on this amendment, I think it desirable to enumerate the reasons why sections 5 and 6 should be eliminated from the bill. In his letter to the chairman of the Committee on Agriculture and Forestry, the Secretary of Agriculture summarized them as follows:

1. Sections 5 and 6 would direct the Secretary to barter up to \$500 million worth of agricultural commodities per year even if such transactions would not conserve the assets of the CCC and the Federal Government but would dissipate them.

2. These sections would direct the Secretary to barter even though the so-called barter transactions would merely replace cash sales for dollars, and would force a tendency to drive down the price which the CCC would receive for its remaining sales for cash.

3. They would require the Federal Government to pay storage on unspecified materials to be imported if the imported materials have storage costs and deterioration risks lower than agricultural commodities owned by CCC, even though such materials could not be used in the foreseeable future."

4. They "would increase the interest costs of CCC and the Federal Government.

5. They would provide world price support for materials without permitting domestic mining interests to benefit directly.

6. Enactment of sections 5 and 6 would not to any measureable extent establish new agricultural export outlets or increase existing ones.

For these reasons I urge the adoption of this amendment which the Senator from Vermont [Mr. AIKEN] proposed to S. 3420.

EXHIBIT 1

[From Pay Dirt, Phoenix, Ariz., of October 18, 1957]

LEAD-ZINC TARIFF PETITION IS FILED—EMERGENCY COMMITTEE SEEKS MAXIMUM PERMISSIBLE DUTY INCREASES

In its formal petition, the Emergency Lead-Zinc Committee stated in part:

"The President of the United States has recognized that a continuously productive lead and zinc mining industry is of fundamental importance to the national security, that the lead and zinc mining industry is in a distressed condition, and it is appropriate in the present circumstances to invoke the relief afforded by the escape clause.

"In May 1954, the Tariff Commission completed its prior investigation of the same subject and recommended the maximum increases permitted by existing law in the import rates on primary lead and zinc. Instead of implementing this recommendation, the President ordered a stockpiling program which has temporarily operated to remove some of the surplus production from the market. Now that the stockpiling program is tapering off, large surpluses of imported lead and zinc overhang the market and market prices have again receded to distress levels.

"Although industrial consumption of both lead and zinc in the United States has continued on a high, and rising, level, our mine production has receded considerably below wartime levels at the same time that imports have continued to increase both actually and relatively.

"In each year since the Commissioner's prior report, imports of both lead and zinc have materially exceeded our own mine production. So far in 1957, imports of lead are at an annual rate of 146 percent of our current mine production and imports of zinc are at a rate of 142 percent of current mine production in our own country.

"While the stockpiling program was in full swing, the returns to our miners were, in general, at viable, although not very profitable, levels. In recent months, prices have receded dangerously, to 14 cents per pound for lead and to 10 cents per pound for zinc. The price of lead is at the same level as existed at the time of the prior report of the Commission and the price of zinc is now lower.

"As imports have continued to flood the country, inventories have increased to burdensome levels.

"Costs of production have continued to increase. Consequently many mines, in all sections of the country, have been caught in the cost-price squeeze, and have been forced to close down, throwing thousands of miners out of work.

"There are at present at least 5,000 less miners producing lead and zinc in the United States than on January 1, 1957. For each miner thrown out of work, at least 1½ persons engaged in milling, smelting, refining, transportation, etc., are also thrown out of work so that the loss of 5,000 miners in employment means a loss of at least 12,500 employees engaged in the handling of primary lead and zinc.

"Imported lead and zinc metal are like and directly competitive with lead and zinc produced from ores mined in the United States, and imported lead and zinc ores are like and directly competitive with lead and zinc ores mined in this country. Likewise, imports of most of the lead and zinc

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manufactures are like and directly competitive with lead and zinc products made in the United States.

"The American miners acknowledge that the consumptive demands for lead and zinc in the United States are in excess of domestic production and that a continuation of substantial imports is necessary and desirable.

"They have no wish to penalize American consumers, to deny American industry access to adequate supplies, or to unreasonably raise prices so as to discourage consumption. The Committee will later propose a system of import quotas that will meet the above criteria and at the same time give a moderate degree of protection to our primary producers so as to restore and continue a healthy industry."

EXHIBIT 2

[From News Letter of the Mining Association of Montana, Butte, Mont., of February 1958]

PROVISIONS—COPPER BILL

PURPOSE OF THE BILL

The purpose of the bill is to amend the existing copper import tax legislation so as to enable the copper-mining industry of the United States to survive. This is attempted by changing the present peril point of 24 cents per pound to 30 cents per pound and by imposing a 4-cent-per-pound import tax which shall not be in effect when the domestic market price is 30 cents per pound or more. The bill thus seeks to achieve needed protection for the domestic copper industry and at the same time keep to a minimum any interference with foreign trade. It would leave the domestic market wholly free to all copper producers when the price is above the peril point.

BACKGROUND

The Internal Revenue Code has, since 1932, provided for an import tax on articles of imported copper—4 cents per pound on most items. That import tax, however, has been severely cut by Presidential proclamations under foreign trade agreements (GATT specifically); the 4-cent tax was cut to 2 cents in 1949, further cut to 1.8 cents in 1957, and is now scheduled to be cut to 1.7 cents on June 30, 1958. And, since 1951, by act of Congress, the tax has been suspended altogether, with the support of the domestic copper-producing industry. The suspension enactments in 1951, 1953, 1954, and 1955 each contained a proviso to the effect that the suspension would end if the domestic market of copper fell below 24 cents for a calendar month. The 1955 suspension, which is still in effect and contains such proviso, will terminate on June 30, 1958.

Since the 1955 suspension, far-reaching changes have occurred in the copper-producing industry. Substantial increases in foreign production, coupled with constantly increasing wage and other costs in the United States, have rendered precarious the position of the domestic producing industry. The domestic copper price has fallen from a high of 43 cents per pound in 1955 and 46 cents in 1956 to 27 cents per pound, and even lower for custom smelters, at present. The price in Europe has fallen even further, the London Metal Exchange price being now the equivalent of approximately 22 cents. The result has been shutdowns and important curtailments at practically all domestic copper mines, with substantial loss of employment and damage to the communities and States involved.

These changes and their consequences indicate the necessity both for a reestablishment of the import tax on copper at 4 cents per pound, and for a revision of the so-called peril point, i. e., the price below which the import tax becomes effective. This peril point should be set a level which will encourage and maintain an active, healthy domestic copper-mining industry. Reestablishment of the import tax at 4 cents per pound

will afford some real measure of protection when the price falls below that peril point.

EXHIBIT 3

UNITED MINE WORKERS OF AMERICA,
DISTRICT 22, WYOMING-UTAH,
Price, Utah, March 3, 1958.

Mr. ARTHUR V. WATKINS,
Senate Building,
Washington, D. C.

DEAR SENATOR WATKINS: This is a letter of appreciation by the undersigned in your efforts in behalf of the coal industry in the State of Utah of which I am enclosing the number of men who are at the present time unemployed in the coal industry. Also the statistical data of the number of mines some of which have been closed due to the lack of market.

I certainly feel that this is very detrimental to the economy of the State of Utah and of the Nation as a whole.

This information may be very helpful to your office in behalf of the ailing industry at the present time.

Hoping to hear from you and if any additional information is needed please feel free to contact me.

Again thanking you for your interest and efforts to protect the coal industry in the West, I am,

Sincerely yours,

HARRY MANGUS,
President.

Mines	Mines shut down.	Men layed off	Days worked per week ¹
Adams Black Diamond Coal Co.	Mine shut down.	4	-----
Alvey Coal Mine	do.	12	-----
American Fuel Co.	do.	-----	1
Carbon Fuel Co.	do.	-----	-----
Chappel Coal Co.	Mine shut down.	9	-----
Columbia-Geneva Steel Division:			
Columbia Mine	-----	57	3
Geneva Mine	-----	-----	3
Blue Flame Coal Co.	Mine shut down.	2	-----
Book Cliffs Coal Co.	-----	-----	4
Arthur L. Petty Browning Mine	-----	-----	2
Coop Mining Co.	-----	-----	4
Day Mutual Coal Co.	Mine shut down.	4	-----
Helco Coal Co.	do.	4	-----
Independent Coal & Coke Co.:			
Castle Gate Mine	-----	60	2 and 3
Clear Creek Mine	-----	36	2 and 3
Kenilworth Mine	-----	106	2 and 3
Kaiser Steel Corp.: Sunnyside Nos. 1, 2, and 3 Mines.	-----	800	-----
Knight Ideal Coal Co.:			
Knight No. 1 Mine	-----	14	3
Knight No. 2 Mine	Mine shut down.	7	-----
Koal Creek Coal Co.	-----	-----	2
Larsen & Rigby	Mine shut down.	-----	-----
Leamaster Coal Co.	-----	-----	2
Liberty Fuel Co.	-----	-----	2
Lion Coal Corp.	-----	107	2
Premium Coal Co. (Soldier Canyon).	-----	3	3
Royal Coal Co.	-----	-----	2 and 3
Shakespear Bros.	Mine shut down.	2	-----
Smirl Alton Coal Mine	do.	4	-----
Southern Utah Fuel Co.	-----	-----	2
Spring Canyon Coal Co.	-----	-----	2 and 3
Spring Creek Coal Co.	-----	-----	2
Frank M. Stone	Mine shut down.	-----	-----
Sun Valley Coal Co.	-----	-----	2
Trail Mountain Coal Mine No. 1.	Mine shut down.	4	-----
Tucker Coal Co.	-----	-----	2
Utah Fuel Chemical Co.	Mine shut down.	-----	-----
United States Fuel Co.	-----	187	2 and 3
Vulcan Fuel Co.	Mine shut down.	2	-----
Wardle Coal Mine	do.	1	-----
Webster Coal Mine	do.	6	-----
Western Coal Mining Co.	do.	-----	1
Wilberg Coal Co.	-----	-----	2

¹ The amount of days working per week as up to Mar. 1, 1958.

Mr. AIKEN. I understand the time on the amendment has expired.

Mr. ELLENDER. Mr. President, I yield myself 1 minute.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. I should like to ask a question of the distinguished chairman of the committee, because I am sorely torn on this question. I represent a State in which we have large wheat surpluses and other agricultural surpluses, where we have mineral surpluses, and where the mining conditions are very bad. As a matter of fact, in the State of Montana, we are in a depression, so far as mining is concerned. I understand, from the explanation that has been given of the bill, that lead, zinc, tungsten, and manganese have been imported under the program, but that, on being imported, they have been placed in what is known as the standby stockpile.

As long as that was happening, the price of these products was fairly strong in this country. However, as soon as bartering in these minerals stopped, then the minerals which used to go into the stockpile came into the open market, and the price was depressed.

As the result, the lead, zinc, and tungsten mines are closed down. They are being flooded, the timbers are caving in, and the breasts are falling. Also, the result has been that a great many people have been put out of work.

What is the situation under the provisions now in the bill insofar as these metals are concerned?

Mr. ELLENDER. Mr. President, the distinguished Senator from Minnesota has stated many times that, although the Secretary of Agriculture is directed to barter, he must still consult—

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield myself 1 more minute.

It must be remembered that bartering does not affect domestic production with respect to which "the United States does not domestically produce its requirements and which entail risk of loss through deterioration or substantial storage charges."

Mr. MANSFIELD. Then, as long as a surplus lasts in any 1 of those 4 metals, there can be no barter. Is that correct?

Mr. ELLENDER. That is correct.

Mr. MANSFIELD. There cannot be any bartering?

Mr. ELLENDER. No; that is my understanding.

Mr. AIKEN. Mr. President, I yield myself 2 minutes on the bill, and I should like to have the Senator from Louisiana point out in the bill any provision which prohibits such barter. My interpretation is that that is not only permitted, but directed.

Mr. MANSFIELD. Mr. President—

Mr. AIKEN. I have asked the Senator from Louisiana to point out the part of the bill which prohibits the Secretary of Agriculture bartering for lead, zinc, or any other minerals of which we are now importing substantial quantities.

Mr. ELLENDER. Mr. President, I yield myself 1 minute. This matter has been discussed time and time again.

I certainly hope the Secretary of Agriculture will use good judgment and not stockpile strategic materials that are on hand in abundance.

Mr. AIKEN. They are being imported now.

Mr. ELLENDER. That is true, but even though they are the subject of barter, they cannot be sold to the trade, unless an act of Congress to that effect is passed. All protection necessary is given to the producers of those materials. The reason for the barter provision in the bill is that the Department of Agriculture has absolutely closed out barter.

Mr. HUMPHREY. I believe I can clarify this situation.

Mr. ELLENDER. I yield 1 minute to the Senator from Minnesota.

Mr. HUMPHREY. First of all, all metals and minerals that are bartered have to be put in the stockpile.

Mr. AIKEN. No.

Mr. HUMPHREY. Yes. I will tell the Senator why. It is because we do not barter unless a procurement directive has been issued.

Mr. AIKEN. It can be done under the provisions of the bill.

Mr. HUMPHREY. It cannot be done. I discussed that very point with representatives of the Department of Agriculture familiar with the details of the program.

Mr. AIKEN. That is the purpose of the bill.

Mr. HUMPHREY. No; that is not the purpose of the bill. The purpose is to tell the Secretary that he should barter. He has not bartered at all. He has refused to barter, at the expense of the American taxpayers.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. ELLENDER. I yield 1 more minute.

Mr. HUMPHREY. I think it is only fair that we should completely understand how the Department of Agriculture operates on barter. While the language is more of a directive to the Secretary, it also requires that he follow some procedure. He did in the past, before barter was suspended. The same people would administer this new bill. The only barter that will take place will be on a procurement directive or on a specific request from individual agencies of the Government. The procurement directive is the result of action by the interagency committee of the Department of State, the Department of Agriculture, the Department of Commerce, the General Services Administration, and the Office of Defense Mobilization.

Unless the Office of Defense Mobilization, which is responsible for the policy, and the General Services Administration, which is responsible for the inventory of the national stockpile or the supplemental stockpile, say that the barter is in the national interest, the barter will not take place.

Mr. ANDERSON. What language is this? Where is the language that protects the lead and zinc industry?

Mr. HUMPHREY. It is already in the supplemental stockpile language. It is already in the national stockpile

language. It is already a matter of working regulation in the Department, which has been working with it since the 79th Congress, and, indeed, since the 1956 supplemental stockpile bill. That is not being disturbed at all.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield one more minute.

Mr. MANSFIELD. Mr. President, I should like to have an answer to the same question I directed to the distinguished chairman of the committee. Under the language proposed, is the idea to provide that so long as there is a surplus of lead, zinc, manganese, and tungsten, and a depressed condition in those industries, no barter arrangements will be made?

Mr. HUMPHREY. If the interagency committee, composed of the Departments of State, Interior, Agriculture, and Office of Defense Mobilization feels that no more metals are needed, none will be obtained.

Mr. MANSFIELD. But we have surpluses.

Mr. HUMPHREY. Stockpile surpluses are locked up; they are isolated from the market.

Mr. MANSFIELD. No, no; the surplus is outside the stockpiles.

Mr. HUMPHREY. I am talking about any metals brought into the country under barter, if any are brought in. They will not be put in the American market; they will be put in the stockpile. There will be no metals flooded onto the American market.

I have discussed the matter with the officials, and I assure the Senator from Montana that the same regulations which prevailed previously, concerning the consultation by experts in the GSA and the Department of the Interior, will prevail under this provision.

This provision simply says to Ezra Taft Benson, "Instead of spending \$1 million a day for storage charges on wheat, and instead of permitting that wheat to deteriorate, try to make a barter deal for goods of which we are in short supply, for goods which will not deteriorate, for goods for which there will be no storage charges. If you can make such an arrangement, and if you can find an agency of the Government that says it needs the goods, or if they are needed for the defense program, then will you please go ahead and barter?" That is the intent of the provision.

Mr. MANSFIELD. That is fine; but we are not in short supply of lead, zinc, tungsten, and manganese. The chairman of the committee says they will not be bought. The Senator from Minnesota does not go quite that far, but almost that far.

Mr. HUMPHREY. I do not know whether they will be bartered; I cannot say. That is a matter to be decided by the Office of Defense Mobilization in the interest of protecting the security of the United States.

Mr. MANSFIELD. The Senator from Louisiana says that they will not be bought.

Mr. ELLENDER. Of course they will not be bartered; not under the conditions just stated.

Mr. President, I ask unanimous consent that there be a quorum call, the time for the quorum call to be charged to neither side.

Mr. JOHNSON of Texas. Are we ready to vote?

Mr. ELLENDER. Yes; all the time has been used.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be a quorum call, and that as soon as a quorum has been obtained, the Senate proceed to vote on the Aiken amendment.

The PRESIDING OFFICER. Is there objection?

Mr. THYE. Mr. President, I ask unanimous consent that I may have a few minutes in which to make a statement connected with the introduction of a bill, before the quorum is called, the time for my statement to be charged to neither side. Is that agreeable?

Mr. JOHNSON of Texas. Yes.

SOUTH POLE DOG

Mr. THYE. Mr. President, we all know that laws, rules, and regulations are necessary to the orderly government and functioning of society. This is the very basis for the existence of government, for without it we would have anarchy.

Certain occasions arise, however, when the rigid enforcement of the duly adopted laws of society or government can work an unintended hardship, and in these cases we should act to remove the burden of the general rules. Such an instance has come to my attention, and I feel that it must be brought to the attention of my colleagues for corrective action.

An Associated Press article appeared in the Washington Evening Star last night stating that a lieutenant in the United States Navy who has spent the past several months at the South Pole is about to be mustered out of the Navy. While Lieutenant Tuck was based in the Antarctic, he raised and trained a sled dog which is now said to be Navy property, and must be offered for sale at a public auction next week. Lieutenant Tuck would like to retain possession of his pet, but is prevented from doing so by Navy regulations pertaining to the disposition of surplus property. Furthermore, the lieutenant is prevented by law—and that is the important factor—from submitting his own bid for purchase of the dog, because personnel of the Armed Forces may not bid on surplus defense property.

The Secretary of the Navy has informed me that no exception can be made in this case. It seems more fitting to me that this serviceman should be allowed to keep his pet than that it should be offered for sale to some dog-food manufacturer for advertising purposes. I would like to point out that this dog is the only one to have been born and raised in the Antarctic. The dog was not purchased by the Navy, and the man who raised and trained him should have the right to keep him.

Mr. President, I introduce for appropriate reference a bill which would direct the Secretary of the Navy to trans-

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for all right, title, and interest in this dog to Lieutenant Tuck.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3529) to direct the Secretary of the Navy to transfer certain surplus property to Lt. Jack Tuck, introduced by Mr. THYE, was received, read twice by its title, and referred to the Committee on Armed Services.

Mr. THYE. Mr. President, I ask unanimous consent also that the article entitled "Navy Redtape Ties Up Husky Born at Pole," published in the Washington Evening Star of March 19, 1953, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NAVY REDTAPE TIES UP HUSKY BORN AT POLE—SALE AS SURPLUS THREATENS TO SEPARATE SLED DOG FROM HIS SERVICE MASTER

The Navy is taking bids on Bravo the dog, and the bidding could be more spirited than that for a major shipbuilding contract.

Bravo is the sled dog born in the Antarctic and reputedly the only dog ever to winter at the South Pole. Lt. (j. g.) Jack Tuck, one of the 17 Navy men and civilian scientists who lived at the American South Polar base last season, wants to keep his canine friend when Lieutenant Tuck leaves the Navy to go to college.

But the way the situation shaped up today, Lieutenant Tuck and Bravo won't be mustered out together. Bravo, it seems, is Navy property and under the law can't be given away, even though the Navy has declared him to be surplus property.

Bravo and Lieutenant Tuck are now at the United States Naval Construction Battalion Center, Davisville, R. I.

Bids on the sale of Bravo and four other part-wolf huskies used in the Antarctic exploration trips will be received at Davisville next Tuesday. Among those expressing interest is at least one manufacturer of dog food.

The bidding forms place the Government cost for each of the 5 dogs at \$233. All of the dogs except Bravo were purchased from Mrs. Milton Seeley of Wonalancet, N. H.

Bravo really didn't cost the Government anything; he was a by-product of canine social life in the Antarctic. Nevertheless, the specifications include him in the list of \$233 dogs and that is the lowest price the Navy wants in the bids.

Bravo—silver gray, alert and bigger than his relatives—has been featured in pictorial reports of the National Geographic magazine on the Antarctic expedition.

The bid specifications of the Navy include this notation on Bravo: "Caution—this dog is highly spirited and must be handled with extreme caution." Bravo's Navy friends say this is slander.

MILK PRICES

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter dated March 17, 1958, which I have received from the National Independent Dairies Association.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL INDEPENDENT
DAIRIES ASSOCIATION,
Washington, D. C., March 17, 1958.
Hon. EDWARD J. THYE,
United States Senate,
Washington, D. C.

MY DEAR SENATOR THYE: I first want to thank you for the courteous treatment which we received during our appearance before the subcommittee of the Senate Small Business Committee investigating the food industry on March 3. Your profound interest in the problems of the small-dairy man is deeply appreciated, and it has been a pleasure for me to inform many of your constituents of the interest which you have shown and are showing in their problems.

During my testimony you asked if we had any figures which would show that the large chains could lower their price of milk in one area and raise their price in other areas, thereby showing an overall profit.

As you know, the major dairy chain in the United States is the National Dairy Products Corp., which does business under the name Sealtest. The United States Department of Agriculture fluid milk and cream reports for the months of June, July, August, and September 1957 report that the following markets in which Sealtest central division operates plants had the following changes in prices:

Memphis, Tenn.: Increased quarts 1 cent and half-gallons 2 cents in July 1957, and another 1 cent per quart and 2 cents per half-gallon in August 1957.

St. Louis, Mo.: Increased 1 cent per quart, 2 cents per half gallon in July—another 1 cent per quart and 2 cents per half-gallon in September 1957.

Milwaukee, Wis.: Increased 1 cent per quart and 1 cent per half-gallon in August 1957.

Nashville, Tenn.: Increased 1 cent per quart and 2 cents per half-gallon in August 1957.

Louisville, Ky.: Decreased 2 cents per quart, 4 cents per half-gallon on wholesale and 1 cent per quart, 2 cents per half-gallon home delivery, on August 19, 1957.

As you can see from these various changes in the central division prices, they are able to lower the price in any given market while more than regaining this loss by raising their price in any or all other cities they serve.

We trust that the above is the information which you were seeking.

With all good wishes, I am,
Sincerely yours,

D. C. DANIEL.

DOMESTIC OIL INDUSTRY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may proceed for 2 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Texas is recognized for 2 minutes.

Mr. JOHNSON of Texas. Mr. President, I have received a letter from the President of the United States which is of deep interest to broad sections of our country.

On March 6 I wrote to the President calling attention to the very serious situation that confronts the domestic oil industry and vital parts of our economy which depend upon it. The industry is staggering under the impact of continued heavy imports of petroleum and petroleum products. In my letter, I suggested that two steps be taken.

First, a mandatory reduction by 20 percent of oil imports under the authority granted to the President by Congress under the Reciprocal Trade Agreements Act.

Second, a system under which imports could be cut back from month to month on a basis comparable to cutbacks in the domestic industry in those States where prorationing is in effect.

The President's reply stated that mandatory controls have been under "serious discussion by the Cabinet committee." The President said that this country "may be compelled to adopt some such solution, although there are some constitutional and legal questions that may prevent."

The President then went on to say:

However, I do deeply believe that universal acceptance and practice by the industry of voluntary quotas, adjusted to the present production situation with such flexibility as to meet future contingencies, would avoid many difficulties and would be the best approach to this vexing problem—for the industry itself, as well as our economy as a whole.

Plans are now being discussed looking toward making these adjustments, and making them fully effective.

Mr. President, I hope the President's prompt response to my letter indicates there will soon be favorable action on this very serious problem. The present trend cannot continue long without a vital domestic industry suffering crippling blows.

I have been in continuous contact with the responsible officials who are handling the oil program. I have been urging that they take steps and take them quickly to bring some relief to the industry.

I have expressed the hope that our agencies in their purchases will recognize the difficulties of the industry.

I have been urging that steps be taken to make the quota system effective.

In Texas alone our producers have had to close down hundreds of oil rigs. The search for new petroleum reserves has slowed down drastically. Many employees of the oil industry have been laid off or are working part time.

I have conferred with leaders of management and labor in the industry. They are agreed that action must be taken quickly before the industry is swamped in a sea of imports.

The impact has been reflected in unemployment figures; a depressed economy in the communities that center around the industry; and in the deteriorating financial position of a number of our States.

The need for action—prompt and effective action—grows more urgent every day. I hope that the President's statement is an indication that such action will not be long delayed.

I ask unanimous consent that there be printed in the RECORD as part of my remarks the text of the letter I have received from President Eisenhower.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

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MARCH 15, 1958.
The Honorable LYNDON B. JOHNSON,
United States Senate,
Washington, D. C.

DEAR LYNDON: I have your letter of March 6th calling attention to the situation confronting the domestic petroleum industry.

That excessive imports have a serious effect on national security has been recognized. Steps were taken by me to bring these imports into line on a voluntary basis. With the exception of a few recalcitrants, the established importers who were given quotas have cooperated willingly with the voluntary program. The quotas under the voluntary program were distributed, however, when the domestic demand was considerably higher than it is today.

The invocation of mandatory controls has been under serious discussion by the Cabinet Committee. We may be compelled to adopt some such solution, although there are some constitutional and legal questions that may prevent. However, I do deeply believe that universal acceptance and practice by the industry of voluntary quotas, adjusted to the present production situation with such flexibility as to meet future contingencies, would avoid many difficulties and would be the best approach to this vexing problem—for the industry itself, as well as our economy as a whole.

Plans are now being discussed looking toward making these adjustments, and making them fully effective.

I have asked the Secretary of Commerce to advise you on the details of the Cabinet Committee's discussions and to keep you posted on the progress being made.

With warm regard,

Since

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND AS- SISTANCE ACT OF 1954

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. JOHNSON of Texas. Mr. President, I renew my request that there be a quorum call, the time for the quorum call to be charged to neither side; and that upon the obtaining of a quorum, the Senate proceed to vote.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	Mundt
Allott	Gore	Murray
Anderson	Green	Neuberger
Barrett	Hayden	O'Mahoney
Beall	Hickenlooper	Pastore
Bible	Hill	Payne
Bricker	Hobbs	Potter
Bridges	Holland	Proxmire
Bush	Hruska	Purtell
Byrd	Humphrey	Revercomb
Capehart	Jenner	Robertson
Carlson	Johnson, Tex.	Russell
Carroll	Johnson, S. C.	Saltonstall
Case, N. J.	Kerr	Schoeppel
Case, S. Dak.	Knowland	Scott
Church	Kuchel	Smathers
Clark	Langer	Smith, Maine
Cooper	Lausche	Smith, N. J.
Cotton	Long	Sparkman
Curtis	Magnuson	Stennis
Dirksen	Malone	Symington
Douglas	Mansfield	Thurmond
Dworshak	Martin, Iowa	Thye
Eastland	Martin, Pa.	Watkins
Ellender	McClellan	Williams
Ervin	McNamara	Yarborough
Frear	Monroney	Young
Fulbright	Monroney	
	Morton	

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr.

CHAVEZ], the Senator from Missouri [Mr. HENNING], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent because of death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The Senators from New York [Mr. Ives and Mr. JAVITS] are detained on official business.

The PRESIDING OFFICER (Mr. MORTON in the chair). A quorum is present.

The question is on agreeing to the amendment of the Senator from Vermont [Mr. AIKEN], to strike out section 5, as amended by the Humphrey amendment.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNING], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNING], the Senator from Washington [Mr. JACKSON], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Georgia [Mr. TALMADGE] would each vote "nay."

On this vote the Senator from Tennessee [Mr. KEFAUVER] has a pair with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from Tennessee [Mr. KEFAUVER] would vote "nay" and the Senator from Maryland [Mr. BUTLER] would vote "yea."

Also, on this vote the Senator from Oregon [Mr. MORSE] has a pair with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from Oregon [Mr. MORSE] would vote "nay" and the Senator from Utah [Mr. BENNETT] would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent because of a death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The Senators from New York [Mr. Ives and Mr. JAVITS] are detained on official business.

On this vote the Senator from Utah [Mr. BENNETT] is paired with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from Utah would vote "yea" and the Senator from Oregon would vote "nay."

On this vote the Senator from Maryland [Mr. BUTLER] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Maryland would vote "yea" and the Senator from Tennessee would vote "nay."

Also, on this vote the Senator from Vermont [Mr. FLANDERS] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from Vermont would vote "yea" and the Senator from New York would vote "nay."

The result was announced—yeas 44, nays 39, as follows:

YEAS—44		
Aiken	Cotton	Martin, Pa.
Allott	Curtis	Morton
Anderson	Dirksen	Mundt
Barrett	Dworshak	Payne
Beall	Eastland	Potter
Bible	Goldwater	Purtell
Bricker	Hickenlooper	Revercomb
Bridges	Hobbs	Saltonstall
Bush	Hruska	Schoeppel
Capehart	Jenner	Smith, Maine
Carlson	Knowland	Smith, N. J.
Case, N. J.	Kuchel	Thye
Case, S. Dak.	Lausche	Watkins
Church	Malone	Williams
Cooper	Martin, Iowa	

NAYS—39		
Byrd	Humphrey	O'Mahoney
Carroll	Johnson, Tex.	Pastore
Clark	Johnson, S. C.	Proxmire
Douglas	Kerr	Robertson
Ellender	Langer	Russell
Ervin	Long	Scott
Frear	Magnuson	Smathers
Fulbright	Mansfield	Sparkman
Gore	McClellan	Stennis
Green	McNamara	Symington
Hayden	Monroney	Thurmond
Hill	Murray	Yarborough
Holland	Neuberger	Young

NOT VOTING—13		
Bennett	Ives	Morse
Butler	Jackson	Talmadge
Chavez	Javits	Wiley
Flanders	Kefauver	
Hennings	Kennedy	

So Mr. AIKEN's amendment was agreed to.

Mr. AIKEN. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Vermont.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open for further amendment.

Mr. CASE of South Dakota. Mr. President, I desire to call up my amendment.

Mr. MONRONEY. Mr. President, will the Senator yield so that I may call up a privileged matter?

Mr. CASE of South Dakota. I yield for that purpose.

REINVESTMENT BY AIR CARRIERS OF GAINS DERIVED FROM THE SALE OR OTHER DISPOSITION OF FLIGHT EQUIPMENT—CONFER- ENCE REPORT

Mr. MONRONEY. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of

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the Senate to the bill (H. R. 5822) to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 5822) to amend section 406 (b) of the Civil Aeronautics Act of 1938 with respect to the reinvestment by air carriers of the proceeds from the sale or other disposition of certain operating property and equipment, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 406 (b) of the Civil Aeronautics Act of 1938, as amended, is hereby amended by adding at the end thereof the following new paragraph:

"In determining the need of an air carrier for compensation for the transportation of mail, and such carrier's 'other revenue' for the purpose of this section, the Board shall not take into account—

"(1) gains derived from the sale or other disposition of flight equipment if (A) the carrier notifies the Board in writing that it has invested or intends to reinvest the gains (less applicable expenses and taxes) derived from such sale or other disposition in flight equipment, and (B) submits evidence in the manner prescribed by the Board that an amount equal to such gains (less applicable expenses and taxes) has been expended for purchase of flight equipment or has been deposited in a special reequipment fund, or

"(2) losses sustained from the sale or other disposition of flight equipment.

Any amounts so deposited in a reequipment fund as above provided shall be used solely for investment in flight equipment either through payments on account of the purchase price or construction of flight equipment or in retirement of debt contracted for the purchase or construction of flight equipment, and unless so reinvested within such reasonable time as the Board may prescribe, the carrier shall not have the benefit of this paragraph. Amounts so deposited in the reequipment fund shall not be included as part of the carrier's used and useful investment for purposes of section 406 until expended as provided above: *Provided*, That the flight equipment in which said gains may be invested shall not include equipment delivered to the carrier prior to April 6, 1956.

"Sec. 2. The amendment made by this Act to such section 406 (b) shall be effective as to all capital gains or losses realized on and after April 6, 1956, with respect to the sale or other disposition of flight equipment whether or not the Board shall have entered a final order taking account thereof in de-

termining all other revenue of the air carrier."

And the Senate agree to the same.

MIKE MONRONEY,
G. A. SMATHERS,
ALAN BIBLE,
ANDREW F. SCHOEPPLE,
FREDERICK PAYNE,

Managers on the Part of the Senate.

OREN HARRIS,
KENNETH A. ROBERTS,
WALTER ROGERS,
SAMUEL N. FRIEDEL,
CHAS. A. WOLVERTON,
JOS. P. O'HARA,
ROBERT HALE,

Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. MONRONEY. Mr. President, this represents a unanimous agreement of the conferees of the Senate and of the House on the capital gains waiver for feeder airlines and other airlines on subsidy. The bill is identical with the bill passed by the Senate except with a rearrangement to make more definitely certain that the WILLIAMS amendment is expressed in clear and certain terms.

There is no objection from either the minority or majority side.

Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

APPOINTMENT TO JOINT ECONOMIC COMMITTEE

The PRESIDING OFFICER (Mr. Morton in the chair). The Chair has been requested to announce the appointment by the Vice President of the Senator from West Virginia [Mr. HOBLITZELL] as a member of the Joint Economic Committee, vice the Senator from Arizona [Mr. GOLDWATER], resigned.

NOTICE OF HEARING ON S. 3502, TO AMEND THE FEDERAL AIRPORT ACT IN ORDER TO EXTEND THE TIME FOR MAKING GRANTS UNDER THE PROVISIONS OF SUCH ACT, AND FOR OTHER PURPOSES—AND ADDITIONAL COSPONSOR

Mr. MONRONEY. Mr. President, I desire to announce at this time that the Subcommittee on Aviation of the Committee on Interstate and Foreign Commerce will begin hearings April 14 on S. 3502, a bill relating to the Federal Airport Act, which will extend the present act 4 additional years. It is necessary to take such action during the present session, so that plans may be made by the local communities to vote the

bonds necessary, to design their airports, and to have their programs ready after 1959.

I should like to say that the bill also carries provision for \$75 million additional funds for matching local funds to speed up construction of airports, to get ready for the jet air age, and also to help relieve the unemployment which exists in so many scattered areas of the country. This will be an effective way to combat the recession.

I invite any Senators who have knowledge of witnesses who would like to be heard to notify the Committee on Interstate and Foreign Commerce, so that such witnesses may testify.

Mr. SMATHERS rose.

Mr. MONRONEY. I yield to my distinguished colleague, the Senator from Florida.

The PRESIDING OFFICER. The Chair wishes to announce that the matter under consideration is not a privileged matter. The time has been allocated under a unanimous-consent agreement.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Oklahoma may be permitted not to exceed 3 minutes, and that the time not be charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. MONRONEY. I yield to my distinguished colleague, the Senator from Florida [Mr. SMATHERS], one of the original coauthors, along with myself, of the Federal Aid to Airports Act which has so stimulated airport construction, on a 50-50 Federal-State basis.

Mr. SMATHERS. I thank the able Senator from Oklahoma.

Mr. President, I ask unanimous consent that I may join with the able Senator from Oklahoma and the distinguished Senator from Washington [Mr. MAGNUSON] in sponsorship of the new Federal Airport Act, as a cosponsor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida? The Chair hears none, and it is so ordered.

EXTENSION OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.

The Senate resumed the consideration of the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Mr. CASE of South Dakota. Mr. President, I call up my amendment identified as "3-17-58-C," and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The CHIEF CLERK. At the end of the bill it is proposed to add a new section as follows:

SEC. (a) Notwithstanding any other provision of law, all foreign currencies received in payment for commodities sold under the authority of title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be placed in a special fund in the Treasury, which shall be designated as the Foreign Currencies Fund. Upon receipt of any such payment, the dollar equivalent thereof shall be paid by the Treasury to the Commodity Credit Corporation in reimbursement for the agricultural commodities sold under such title. Payment to the Commodity Credit Corporation under this section shall be in lieu of reimbursement by the agencies using foreign currencies as provided in section 105 of such act, and payments required by such section to be made by such agencies to the Commodity Credit Corporation shall be made instead to the Treasury.

(b) All disbursements authorized to be made of foreign currencies received for commodities sold under the provisions of such title shall hereafter be made only in such amounts as may be specified in appropriation acts.

(c) The Secretary of the Treasury shall report to the Congress not later than January 31 of each year all payments to and disbursements from the Foreign Currencies Fund in the 12 months ending December 31 prior thereto.

Mr. ELLENDER. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Under the terms of the unanimous-consent agreement, the Senator from South Dakota will be allotted 15 minutes and the majority leader will be allotted 15 minutes.

How much time does the Senator from South Dakota yield?

Mr. CASE of South Dakota. Mr. President, I yield myself 7 minutes.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 7 minutes.

Mr. CASE of South Dakota. Mr. President, there are two reasons why the amendment should be adopted. The first reason is that Congress should control the spending of money. Last year over a billion dollars was spent by the executive agencies in the form of foreign currencies without review of such appropriations by the Congress.

The second reason for the adoption of the amendment is that the programs for which the money is spent should bear the burden of carrying the appropriations, and the amounts should not be charged as the cost of a farm support program, which is charged to the farmers.

I have in my hand a copy of the President's report to the Congress dated February 4, 1958. On page 8 of that report the President deals with the administration of foreign currencies. Ahead of a table he states:

The responsibility for administering the expenditure of foreign currencies is assigned by Executive Order to various agencies, as follows:

There follows on page 9 a list of the executive agencies to whom authority has been given by an executive order to spend the vast amount of money devel-

oped by the sale of such surplus commodities.

On page 12 of the President's report to the Congress there is a list of the so-called planned uses of foreign currency under agreements signed during the 6 months from July to December 1957. They total over \$205 million. At the conclusion of the President's report, there are some tables which show the planned uses of foreign currencies for the full fiscal year 1957, by countries and by objects. They total \$1,046 million.

It is clear from the tables, Mr. President, that \$1¼ billion is being spent in a period of 18 months by executive agencies of the Government without direct appropriation by the Congress. These amounts are the dollar equivalent values. They are spent by such agencies as the Department of Agriculture, the ICA, the Export-Import Bank, the Department of State, the United States Information Agency—and, under one category, "any agency" may spend them. That is all done under an Executive order, without any specific review or appropriation by the Congress.

The amendment which I propose provides that foreign currencies received from the sale of agricultural commodities should, first of all, be credited to the advances which have been made by the Commodity Credit Corporation, so that the accounts, so to speak, with respect to the surplus commodities would be discharged. The farmer would no longer be charged with the moneys involved here, after the payment had been received.

The second point is that when the money had been received, and the Commodity Credit Corporation accounts had been squared up, the money would rest in a foreign currency fund within the Treasury, from which it would be disbursed in specified amounts by appropriation bills to be acted upon by the Congress.

The program of selling surplus commodities for foreign currencies is one which I have supported from the beginning. In fact, as I stated yesterday, I suggested the idea of selling surplus commodities for foreign currencies. However, the manner in which the money has been handled has been a matter of "easy come, easy go." The makings of a first-class scandal exists in this method of handling foreign currency.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. LAUSCHE. Referring to page 2 of the amendment, under subparagraph (b), there is this language:

All disbursements authorized to be made of foreign currencies received for commodities sold under the provisions of such title shall hereafter be made only in such amounts as may be specified in appropriation acts.

Does that mean that no expenditures could be made except those which were specified in appropriation acts?

Mr. CASE of South Dakota. I think it does. The Constitution provides that

no money shall be disbursed from the Treasury of the United States except in pursuance of an appropriate act of Congress.

Mr. LAUSCHE. This language, then, would cover all types of expenditures made of foreign currency?

Mr. CASE of South Dakota. It would cover all types of expenditures from the foreign currency fund established by this amendment. Of course, there are some foreign currencies which are received as counterpart funds under the foreign aid program. Personally, I think those funds should also be handled in this way, but I thought, for the purpose of establishing the principle, if we could do it in connection with the foreign currencies received from the sale of surplus commodities, when the Mutual Security Act is considered a similar amendment might be offered at that time to deal with those funds.

Mr. LAUSCHE. Are many of the foreign currencies which we receive under title I used by representatives of the legislative branch in their trips around the world?

Mr. CASE of South Dakota. I presume they might be. I do not know. I do understand that foreign currencies received by the United States have been used by committees and committee members in their trips abroad. I think probably most of such foreign currencies are those which were created by the so-called counterpart payments by nations receiving foreign aid. In any event, I think such funds should receive the same treatment. They should be placed in the Treasury and appropriated in particular amounts for purposes to which Congress gives specific approval.

Mr. LAUSCHE. I am in accord with the statement made by the distinguished Senator. The answer, then, would be that it might be that such currencies are used by members of the legislative branch in their trips.

Mr. CASE of South Dakota. They might or might not be such currencies. I see no reason why such currencies could not be used for committee trips. However, I did not see in any part of the President's report the report of an executive order which assigned any of them to the legislative branch. I refer to the particular currencies which come from the sale of surplus commodities. However, it is true that foreign currencies are used. I believe that those which have been used for committees have been those derived from counterpart funds under the Mutual Security Act.

Mr. LAUSCHE. With respect to the \$1 billion equivalent of foreign currency which has been used, is a part of such funds included in the investments which are being made and financed on a loan basis?

Mr. CASE of South Dakota. Some of them are financed on a loan basis. In fact, I think the largest single item is a loan to Brazil. I am not saying that that is not a good loan; but I believe that funds which the United States acquires, to the extent of more than \$1 billion for the fiscal year ending June

30, 1957, should be the subject of specific authorization and appropriation.

Mr. LAUSCHE. When I interrupted, the Senator was saying something about a scandalous situation.

Mr. CASE of South Dakota. I said that there exist in the method of handling the funds the markings of a scandal. When the whole story is told as to the liberality with which these funds are disbursed, I feel that items will be disclosed of which the Congress and the country will not be proud.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

I fear that if the pending amendment is adopted, it will kill the bill. Under the bill which we are now discussing, there would be no change in the method by which these transactions have been handled in the past. That procedure is generally as follows: Agreements are made between us and purchasing countries. It is not a question of selling so many bushels of wheat for so much money. Agreements must be entered into between the United States and the purchasing countries. In such agreements, a determination is made as to how the proceeds derived from the sale of agricultural commodities involved are to be used.

The law provides several ways in which that money can be spent. These are:

First, to help develop new markets for United States agricultural commodities on a mutually beneficial basis.

If an agreement is entered into between the United States and Japan, let us say, our Government and Japan must determine how much of the sale price of the wheat will be used to help develop new markets for the United States.

Second, the moneys may be used to purchase or contract to purchase strategic and critical materials within the applicable terms of the Strategic and Critical Materials Act. That is another way in which the proceeds obtained from the sale of these surplus commodities, may be used.

Third, they may be used to procure military equipment, materials, facilities, and services for the common defense. The purposes for which the proceeds will be used must be determined while the agreement to sell the commodities is being negotiated.

Now, if we provide that the Congress must appropriate funds from the proceeds of any of these sales, another condition is imposed upon the sales agreement. Congress might, or might not, appropriate funds for the agreed purposes of the agreement. I doubt seriously if many countries would contract to purchase surplus commodities under Public Law 480 if they were compelled to subject these agreements to a further review by Congress, of course, it would naturally follow that fewer surplus commodities would be disposed.

As pointed out day before yesterday when the bill was before us, we have programmed through February 1, 1958, \$2,531,000,000 worth of commodities under Public Law 480. Of that huge sum, \$43.2

million will be used for agricultural market development.

For the supplemental stockpile, \$2 million has been programmed. Common defense, \$290.5 million. Purchase of goods from other countries, \$42.9 million. Grants for economic aid through ICA, \$61.5 million. Loans to private enterprise, which is provided for in the law, \$44.7 million. Payment of United States obligations, \$656.6 million. Loans to foreign governments, \$1,349,000,000.

I wish to point out that many of these sales would not have been made except for the fact that in the agreements we designate the uses of the proceeds of the sales to the countries. Therefore under the amendment proposed by my good friend from South Dakota we could not enter into any of these agreements and comply with them. Not all countries would be willing to purchase the commodities unless they knew in advance where and how the funds would be used and whether they would be used in accord with the agreements and in accord with the provisions of the law to which I have just referred.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield myself 2 more minutes.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CASE of South Dakota. Is the Senator saying that we could not make the sales unless the country gets the assurance in advance that the money will be given back to it, and that an agreement is made to that effect?

Mr. ELLENDER. The Senator is partly correct.

Mr. CASE of South Dakota. Is that the way it works?

Mr. ELLENDER. Generally speaking the Senator is right.

Mr. CASE of South Dakota. That is a pretty weak sale.

Mr. ELLENDER. It may be a pretty weak sale, but that is the way it has been operating; that is the way the program has been administered ever since its inception. I have frequently complained about the proportion of funds loaned back to purchasing countries for economic development, but the Department of Agriculture takes the position that very few sales will be consummated unless the present procedure is followed.

Mr. CASE of South Dakota. It is a poorly disguised giveaway.

Mr. ELLENDER. It is not very well disguised at times, but the Department of Agriculture, believe it or not, has quite a task on its hands to dispose of some of these goods, and the countries that purchase the goods want to know in advance how their currencies will be used. If the matter is tied up as the Senator from South Dakota suggests, and the proceeds of a sale are put into a Treasury common fund, as the Senator wishes to have done, and Congress is directed thereafter to appropriate the money, I am sure that that will run contrary to the agreements that will be made between the purchasers of the surplus commodities and our Government.

Now, I have said many times that the foreign aid planners should not be allowed to "double dip" so to speak; I do not think they should have carte blanche under Public Law 480 and the mutual security program too. However, we must dispose of our farm surpluses. Therefore, I have on several occasions sought to reduce the mutual security program to the extent countries allocated foreign aid have received benefits under Public Law 480. I think that approach is reasonable and proper. I do not want to do any thing which will hamper the disposal of surpluses under Public Law 480. That is why I am compelled to oppose the Senator's amendment.

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. CASE of South Dakota. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from South Dakota has 7 minutes remaining.

Mr. CASE of South Dakota. I yield myself 2 minutes. No one has been a more diligent student of the programs under which we spread money around the world than has the distinguished Senator from Louisiana. I regret that he is put in the position of having to defend what is done under the law, because no congressional review is provided or afforded as to the expenditure of the foreign currencies under the present law.

The Senator from Louisiana has contended, and I think quite properly, that we ought to very carefully study the expenditure of funds under the foreign aid program. Now he is put in the position, unfortunately—and I am sure it is not of his own choosing—of saying that we cannot sell farm commodities unless we tell the countries involved, and tell them in advance, that we will give the money back to them on their own terms. That is not the way the funds ought to be disbursed. These funds are assets of the United States. Although they are converted into foreign currencies, they are of value, and represent over \$2½ billion, under the figures submitted by the Senator from Louisiana.

My amendment would not kill the program. We could provide a ceiling for all the purposes involved.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CASE of South Dakota. I yield myself 1 additional minute. We could provide a ceiling for each of the categories and say to the Department of Agriculture and to the State Department, "You negotiate within these ceiling limitations, but give Congress the right to review the expenditures of these foreign currencies."

That is the intent and purpose of my amendment.

Mr. President, I ask for the yeas and nays on my amendment.

Mr. JENNER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Time will have to be yielded for the purpose of suggesting the absence of a quorum.

Mr. ELLENDER. First, Mr. President, I yield 3 minutes to the senior Senator from Indiana.

Mr. CAPEHART. Mr. President, I am sure no one wishes to quarrel with the theory being advanced by the Senator from South Dakota. Unfortunately, we must make up our minds whether we are interested in disposing of the surplus food which the Commodity Credit Corporation owns, or whether we wish to have what the Senator advocates. I say that because the countries in which we sell the surplus commodities in exchange for their currencies are not going to make a contract with us unless they know what we will do with their currencies. In fact, they could not do it even if they wanted to. Therefore, if we tie the Department's hands in disposing of the surplus foods, they will not be disposed of.

I should like to do it the way the Senator from South Dakota suggests, but it will not work that way. Therefore, I say Senators must make up their minds whether they wish to get rid of the surplus commodities or wish not to get rid of them. If we tie the hands of the Department of Agriculture's Commodity Credit Corporation in this respect, we will not get rid of them, although it sounds like a reasonable solution. However, we will not get rid of the surplus commodities in that way.

I went into this subject very carefully this morning, at a hearing of the Committee on Banking and Currency, with a witness who had all the figures as to what has happened to the currencies under this program, and we went into the whole program. That is why I am so familiar with the operation of it. Even if a country were in favor of our designating what we would do with its currency, the country's financial situation would be such that it could not make that kind of arrangement, because it would throw that country completely out of financial balance. The countries are forced to do it in the way it has been done.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield 3 minutes to the Senator from Kentucky.

Mr. MORTON. Mr. President, I do not want the impression to be left that there is not a degree of congressional control over the local funds which are generated under the Public Law 480 program. The administration follows a pattern which Congress has written into the law. It requires that certain things be done, within administrative discretion, with these funds. Guidelines are set in the law. They were pointed out by the able chairman of the Committee on Agriculture and Forestry.

I agree thoroughly with what the Senator from South Dakota is trying to do and with what he is trying to accomplish. I agree with the Senator from Ohio that we should have some control over the counterpart funds that are generated and which are used by congressional committees and Members of Congress.

However, Public Law 480 works in this way: Our people go to a foreign gov-

ernment and negotiate for an agreement which will develop something that will not only remove the surplus commodities that we have on hand, but will provide that the funds that are generated through the sale of the commodities will be used to the best interests of both countries, and will serve our national security or the best interests of future agricultural exports, or, as in the pending bill, provide educational exchange benefits, and so forth.

No negotiator can go to a country and negotiate for the sale of agricultural surpluses on the basis of this contingency: "Yes, this is the way we will do it, but I have to go back and get an appropriation bill, which will have to go through the House committee and be passed by the House of Representatives, and then go to the Senate and be referred to a Senate committee, and then go through the Senate, and then into conference; and, subject to what is developed a year hence or 2 years hence in the appropriation procedure which we have under our constitutional system, I will sell you this wheat."

If that were to happen, the weevils would get the wheat. It is impracticable to work out the program in that way. Neither do I wish the impression to be left that the local funds are given to the country which receives the merchandise.

Loans are made. But some of the currencies have great value and a great degree of convertibility. The currency can be used to build airports at our foreign bases.

So far as correcting those two impressions is concerned, I agree with the objectives of the Senator from South Dakota. I think there should be a tightening up of the congressional review of the uses of the funds, but we cannot do it, as the Senator from Louisiana so ably pointed out, through the normal procedures which have been set up in the United States.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that there be a quorum call, the time for the quorum call to be charged to neither side.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE of South Dakota. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. JOHNSON of Texas. Mr. President, may we have the yeas and nays?

The yeas and nays were ordered.

Mr. CASE of South Dakota. Mr. President, I yield myself 2 minutes. I hope all Senators will find time to read the report of the President, so as to help them to get the full import of what the President said:

The responsibility of administering the expenditure of foreign currencies is assigned by executive order to various agencies, as follows.

Mr. President, that responsibility carries with it the spending of \$2.5 billion of foreign currencies, according to the statement of the totals that have been involved and the figures presented by the chairman of the committee.

In no other field of government do we, by executive order, turn over to executive agencies the expenditure of \$2.5 billion and the additional billion or more which will be created by the proposed legislation being considered. That is one reason for adopting the amendment.

The other reason is that when these funds are placed in the Treasury in a special fund to be known as a local currencies fund, the Commodity Credit Corporation then will be paid off, so far as the farmer is concerned; and no longer will the farm program be charged with carrying on a number of loan and expenditure programs which are not really being reviewed in detail by anyone. At least, no one in Congress has been reviewing them in detail.

Those are the reasons why the amendment should be agreed to.

Mr. ELLENDER. Mr. President, as my good friend from South Dakota stated a while ago, in view of my continued opposition to foreign aid it may at first seem peculiar that I should defend a method which Congress itself has established for, in effect, extending a kind of foreign aid. I have explained my reasons for opposing the pending amendment, in this regard. I am certain that the distinguished Senator from South Dakota voted for the Surplus Disposal Act as it now is. He voted for the various provisions which make funds available for education, the common defense, for the payment of the expenses of the State Department, and to build airfields abroad.

I am quite certain that if the sales of the surpluses were not made under the conditions imposed by the act, very few sales would be made.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. FULBRIGHT. Was this amendment considered by the committee?

Mr. ELLENDER. It was considered some time ago, but the committee rejected it.

Mr. FULBRIGHT. The fact is that if it were adopted, it is very unlikely that any deals would be made under it.

Mr. ELLENDER. The Senator is correct.

Mr. FULBRIGHT. The only reason why there is any willingness to make agreements to pay in foreign currency is so that the countries can take possession of the proceeds, in accordance with the agreements which are made.

Mr. ELLENDER. If the funds were required to be appropriated, it is possible that many of the agreements between our country and the other countries to purchase surplus farm commodities would be upset.

Mr. FULBRIGHT. And no further agreement could be made.

Mr. ELLENDER. Exactly.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. HOLLAND. Are not the surplus commodities in the hands of the Commodity Credit Corporation assets of the United States?

Mr. ELLENDER. Yes.

Mr. HOLLAND. Is there any more reason for trying to control definitely and by specifics the expenditure of the foreign funds we get in return for them, than there would be for trying to determine in advance how many bushels of wheat or how many bushels of corn or how many bales of cotton or how many units of any other commodity should be used under this program with each of the specific nations with which we deal? Is it not just as necessary to allow discretion in this field as it was to give discretion to the Department of Agriculture to work out mutually acceptable agreements with such friendly nations, in regard to certain volumes of this huge mass of surplus agricultural commodities which are assets of the United States?

Mr. ELLENDER. The Senator from Florida is correct.

Mr. President, as I have just pointed out, and as the distinguished Senator from Arkansas [Mr. FULBRIGHT] has also pointed out, very few sales would be made if the pending amendment were enacted into law, because these countries desire to know in advance how the funds will be used after they get into our possession.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield again to me?

The PRESIDING OFFICER. The time available to the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I yield myself 1 minute on the bill.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 1 minute on the bill.

Mr. ELLENDER. Mr. President, now I yield again to the Senator from Florida.

Mr. HOLLAND. I thank the Senator from Louisiana.

Then is it not true that the Congress has done in the one case what it did in the other, namely, laid down general guidelines and then authorized the agency to proceed thereunder?

Mr. ELLENDER. That is correct.

Mr. CASE of South Dakota. Mr. President, if there would be no chance to proceed with the program unless the other countries knew in advance on what terms and conditions the money would be used, that would mean that we could proceed only with their permission.

At this time, Mr. President, I yield to the Senator from Indiana [Mr. JENNER] the remainder of the time under my control.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. JENNER. Mr. President, as has just been stated, this arrangement would not be an exchange at all. Instead, the so-called put and take would result in our doing the putting and their doing the taking.

Mr. President, I am a little wearied by all the talk about what the United States has to do for these countries. As a matter of fact, Secretary Benson, himself, has said the law should be extended for only 1 year at a time.

Certainly, American agriculture would not be helped by means of this proposal, if it were put into effect, because every time the surplus is reduced, the parity price is encouraged to rise, and in that way a new surplus is developed.

This program is really destroying the trade of the United States with the countries friendly to it.

As a matter of fact, the talk of "trade follows aid" is silly, for the truth is that foreign aid has not helped American trade anywhere on earth.

United States trade with the rest of the world at large can be divided roughly into four equal areas, in terms of the volume of trade: Canada, Latin America, Western Europe, and the rest of the world.

By this means, we would injure tremendously our friend and good neighbor, Canada. There is no question about that, because wheat is Canada's greatest export.

Do Senators realize that our trade with Canada is worth all the trade we have with 10 Latin American countries? Yet we give no aid to Canada, and we give very little aid to South America.

Similarly, our trade with Canada is worth as much as all the trade we have with 20 of the countries of Western Europe or the entire amount of trade we have with Asia.

Mr. President, legislation of this sort will destroy our natural trading area.

The PRESIDING OFFICER. All time available on the pending amendment has expired.

The question is on agreeing to the amendment of the Senator from South Dakota [Mr. CASE].

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

Mr. JOHNSON of Texas. Mr. President, at this time I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. The pending question is on agreeing to the amendment which has been submitted by the Senator from South Dakota [Mr. CASE], is it not?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. And the yeas and nays have been ordered on this question, have they not?

The PRESIDING OFFICER. That is correct.

The question is on agreeing to the amendment which has been submitted by the Senator from South Dakota [Mr. CASE]. All time available on the amendment under the unanimous-consent agreement has expired.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Washington [Mr. JACKSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], the Senator from North Carolina [Mr. SCOTT], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I further announce, that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Washington [Mr. JACKSON], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from North Carolina [Mr. SCOTT] would each vote "nay".

On this vote, the Senator from Oregon is paired with the Senator from Georgia [Mr. TALMADGE]. If present and voting, the Senator from Oregon would vote "nay" and the Senator from Georgia would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent because of death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The Senators from New York [Mr. Ives and Mr. JAVITS] are detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Maryland [Mr. BUTLER] the Senator from Vermont [Mr. FLANDERS] and the Senator from New York [Mr. JAVITS] would each vote "nay."

The result was announced—yeas 25, nays 58, as follows:

YEAS—25

Barrett	Goldwater	O'Mahoney
Bible	Hoblitzell	Potter
Bridges	Jenner	Revercomb
Carlson	Knowland	Russell
Case, S. Dak.	Langer	Saltonstall
Cotton	Long	Schoepfel
Curtis	Malone	Williams
Dworshak	Martin, Pa.	
Frear	Mundt	

NAYS—58

Aiken	Green	Murray
Allott	Hayden	Neuberger
Anderson	Hickenlooper	Pastore
Beall	Hill	Payne
Bricker	Holland	Proxmire
Bush	Hruska	Purtell
Byrd	Humphrey	Robertson
Capehart	Johnson, Tex.	Smathers
Carroll	Johnston, S. C.	Smith, Maine
Case, N. J.	Kefauver	Smith, N. J.
Church	Kerr	Sparkman
Clark	Kuchel	Stennis
Cooper	Lausche	Symington
Dirksen	Magnuson	Thurmond
Douglas	Mansfield	Thye
Eastland	Martin, Iowa	Watkins
Ellender	McClellan	Yarborough
Ervin	McNamara	Young
Fulbright	Monroney	
Gore	Morton	

NOT VOTING—13

Bennett	Ives	Scott
Butler	Jackson	Talmadge
Chavez	Javits	Wiley
Flanders	Kennedy	
Hennings	Morse	

So the amendment of Mr. CASE of South Dakota was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MARTIN of Iowa. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, following line 2, it is proposed to insert a new section as follows:

SECTION 5. Section 206 (a) of the Agricultural Act of 1956 is amended by inserting before the period at the end thereof a semicolon and the following: "but no strategic or critical material shall be acquired by the Commodity Credit Corporation as a result of such barter or exchange except for such national stockpile, for such supplemental stockpile, for foreign economic or military aid or assistance programs, or for offshore construction programs."

Mr. LANGER. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Iowa is recognized. The Senator has 15 minutes. How much time does the Senator yield himself?

Mr. MARTIN of Iowa. Mr. President I yield myself 5 minutes.

Mr. MANSFIELD. Mr. President, may we have order?

The PRESIDING OFFICER. Let there be order in the Chamber. Senators will take their seats.

The Senator from Iowa is recognized.

Mr. MARTIN of Iowa. Mr. President, the amendment I have offered has for its purpose bringing the Agricultural Act of 1956 into line with the act of 1954 on the matter of the purposes for which strategic and critical materials are acquired. I have taken the provisions out of the act of 1954 and written them into the amendment, to apply them to the act of 1956.

So far as I know, there is no objection from those to whom I have talked.

Mr. ELLENDER. Mr. President, there is no objection to the amendment. It is simply a restatement of the law as passed in 1954.

Mr. MANSFIELD. Mr. President, will the Senator from Iowa yield?

Mr. MARTIN of Iowa. I yield.

Mr. MANSFIELD. I desire to commend the Senator from Iowa, who has a great record in both the House of Representatives and the Senate as the father of the stockpile program in the postwar period.

What the amendment really seeks to do is to nail down what the distinguished chairman of the Committee on Agriculture and Forestry has already told the Senate, and that is to make certain that lead, zinc, manganese, tungsten and other metals brought into the country under this legislation will not come into competition in the open market with minerals which are in surplus at the present time. All the amendment provides is a protection for the minerals which are in surplus and the mines and mills which are located in depressed areas.

Mr. MARTIN of Iowa. The Senator is correct.

Mr. MANSFIELD. I think the Senator is doing a service for the country.

Mr. MARTIN of Iowa. The purpose of the amendment is to enable the mining and agricultural industries to go along hand in hand.

Mr. ELLENDER. Mr. President, I am ready to yield back my time.

The PRESIDING OFFICER. Does the Senator from Iowa yield back his time?

Mr. MARTIN of Iowa. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment offered by the Senator from Iowa.

The amendment was agreed to.

Mr. JENNER. Mr. President, I call up my amendment 3-19-58-D to S. 3420 and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The LEGISLATIVE CLERK. At the end of bill it is proposed to insert the following:

Section 107 of Public Law 480 is hereby amended by adding the following: "or (3) any nation which has indicated directly or indirectly that it will support the Soviet Union, the Communist government in China, or any other Communist government, in event of hostilities between such government and the United States."

The PRESIDING OFFICER. The Senator from Indiana is recognized for 15 minutes. How much time does the Senator yield himself?

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. JENNER. I yield a half minute to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, I have an amendment at the desk. The chairman and the ranking minority member, as well as several other members of the committee, have agreed to the amendment. It is a clarifying amendment. I do not believe there will be any debate on it. I ask that the amendment be stated.

The PRESIDING OFFICER. Does the Senator from South Carolina ask unanimous consent that the amendment be considered prior to the amendment which is the pending question?

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the amendment I have proposed be considered at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. May we have a brief statement as to what the amendment clarifies?

Mr. JOHNSTON of South Carolina. Mr. President, I ask that the amendment be stated. I think the amendment speaks for itself.

The PRESIDING OFFICER. Before asking the clerk to state the amendment, the Chair will say the time will not be charged to the time of the Senator from Indiana [Mr. JENNER].

Mr. JENNER. I thank the Chair.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 5, line 3, it is proposed to insert after the comma the words "and products manufactured from upland or long-staple cotton shall be made available for sale pursuant to the provision of title I of the act as long as cotton is in surplus supply."

On page 5, line 5, strike out the word "its" and insert in lieu thereof the word "their."

Mr. JOHNSTON of South Carolina. Senators will note, on page 5, line 3, where the language is proposed to be inserted, that it will do nothing but carry out the present law which is on the statute books. Public Law 480 at the present time reads as follows:

As used in this act, "surplus agricultural commodity" shall mean any agricultural commodity or product thereof class, kind, type, or other specification thereof.

What I am offering is nothing but a clarifying amendment, which permits what we are doing to be clearly seen.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. JOHNSTON].

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Indiana [Mr. JENNER] is recognized. The Senator from Indiana has 15 minutes. How much time does the Senator yield?

Mr. JENNER. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were ordered.

Mr. JENNER. Mr. President, I regret to have to even suggest an amendment such as this, because when I went to good legal authorities and told them what I had in mind, they said, "You do not mean to tell us, Senator JENNER, that under Public Law 480 your Government is shipping grain and fiber to Communist Poland and Yugoslavia." And I said, "Yes, they are."

In the first 7 months of the fiscal year 1958 one-third of the wheat and flour that was shipped out of this country under Public Law 480 was shipped to Poland and Yugoslavia. In the same period of time, the first 7 months of fiscal year 1958, three-fourths of the cotton shipped under this law was shipped to Poland and Yugoslavia.

We have heard a great deal of talk about recession and depression, and unemployed men. I do not believe the Senate wants to go on record today as dipping down into the pockets of the taxpayers of the country to subsidize this sale—it is called a sale, but it is a gift—to Poland and Yugoslavia, with the result that the housewife in America must pay more for food when her husband is unemployed than the Communists in Poland or Yugoslavia have to pay. I do not believe any sensible group of men would do such a thing.

Why is this amendment necessary? When I mentioned the subject to the great legal authority to whom I have referred, he said, "Have you read section 304 of the present law?" It reads as follows:

The President shall exercise the authority contained herein (1) to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R., for food, raw materials and markets, and (2) to assure that agricultural commodities sold or transferred hereunder do not result in increased availability of those, or like commodities, to unfriendly nations.

I ask Senators, as this great legal authority asked me: How in the world can our Government ship to Poland and Yugoslavia under the present law? All my amendment would do would be to try to tighten up the law, so that those in the executive department of the Government would know that the Senate means what it says and says what it means.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. BRIDGES. I compliment the distinguished Senator from Indiana. He is a patriot in every sense of the word, and he knows whereof he speaks.

For the life of me I cannot understand how anyone can interpret the language to which the Senator refers in the manner described. Of course it means what it says. The question is, Why should we be building up Communist governments so that they can further entrench themselves in power and still further oppress the citizens of those countries? The do-gooders and the soft-headed individuals in this country who are promoting that idea will some day have to answer for it, and answer sharply.

Mr. JENNER. The great international thinkers refer to me as an isolationist, as an ignoramus, as narrowminded, and so forth. I do not mind that. But here is a law which our officials will not enforce. Therefore we must tighten the language.

I have read section 304. Listen to section 107, which my amendment would amend:

Sec. 107. As used in this act, "friendly nation" means any country other than (1) the U. S. S. R. or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

Is anyone so naive as to believe that the Communists do not control Poland, if not Yugoslavia?

It is a shame to talk about "friendly nations." We cannot even get a friendly word from those people. Only recently Tito criticized the Government of the United States in connection with the summit proposal, saying that Russia was exactly right, and that the United States Government was doing nothing but shilly-shallying.

What are we trying to do by such legislation as this? We are not helping the American farmer. We are not helping American industry. We are not helping the country. We are wrecking it. I want Senators to act with their eyes wide open.

Senators should know, if they do not, that one-fourth of the export trade of our country goes to one country; namely, Canada. She has only 17 million people. We do not give Canada any deals or aid such as this.

The next great bulk of our trade goes to Latin America and South America. There are only 170 million people there. How much aid and how many gifts have we given to Latin America and South America? Very little.

What we are trying to do is to destroy our natural trade outlets. How do Senators suppose our greatest customer, who takes one-fourth of our exports, is going to live if we take away from her the main crop which sustains her economy by dumping our wheat on the world market and destroying the market for Canadian wheat? Are we going to subsidize Canada after we have destroyed her markets? Are we willing to trade Canada and South America and Latin America for the countries into which we have poured billions of dollars, and the billion and a half people in the rest of the world?

We talk about trade, not aid. This is becoming an international blackmail game. It is called put and take. However, under this silly law we put and the other nations take. Then we have an agreement, as the distinguished Senator from Louisiana explained, whereby they put back their soft currencies, and we get nothing for them.

The Senator from South Dakota [Mr. CASE] offered an amendment to try to limit the program so that it could be reviewed each year. The bill would extend the law for the rest of fiscal year 1958, fiscal year 1959, and fiscal year 1960. There is no one within the sound of my voice who knows what condition this country will be in 2½ fiscal years from now. It may be that we shall have to take the debt ceiling off. Perhaps there will be wild inflation. Perhaps we shall be bankrupt.

Yet, it is said, "If we do not live up to these commitments, other countries will not like it." I do not know how crazy a group of men can become.

All my amendment does is to say to those in charge of the program, "If you are to use the taxpayers' money to destroy natural trade outlets in Canada and South America, if you propose to subsidize Poland and Yugoslavia, so that the housewife in Poland or Yugoslavia can buy food cheaper than can the American housewife, whose husband is unemployed, we propose to prevent it."

We all seem to be concerned about unemployment. I hope this amendment will tighten the law. It should not even be necessary to offer it, because section 304 of the present law should amply explain to the bureaucrats downtown what we want to do. I hope they can read this language and understand it.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. BRIDGES. In applying certain principles or standards we should bear in mind the fact that Poland has voted against United States interests in the United Nations to a greater extent than has Russia. That is a very interesting commentary on whether or not Poland is communistic. It will be very interesting to see how the Congress performs in this connection. I should like to see a record vote.

Mr. JENNER. There will be a record vote.

Mr. BRIDGES. Our action may come back and hit us in the face.

Mr. JENNER. I think our distinguished minority leader [Mr. KNOWLAND] brought out the fact that Poland increased her defense expenditures last year in direct proportion to the money she received from America.

Are we against communism, or are we not? We are willing to spend \$40 billion a year, supposedly to fight communism; and yet by this very law, with the commitment in perpetuity of \$3½ billion, we are aiding, abetting, and fattening communism, so that Poland and Yugoslavia can relieve the drain on their economic system in regard to food and fiber, in order that they may increase their defense expenditures. Do Senators suppose that that is for our benefit?

Mr. President, that is all I have to say. I yield back the remainder of my time.

Mr. ELLENDELL. Mr. President, I cannot but express surprise at the attitude taken by some of my good friends across the aisle.

This question was discussed on many occasions in the Senate. In section 107 we defined what "friendly nation" means. It means—

Any country other than (1) the U. S. S. R. or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

I am sure that many Senators will remember that the Secretary of Agriculture proposed that we amend the law so that we could trade some of our agricultural products with countries behind the Iron Curtain. The law, as contained in section 107 of the act, so provided.

Under section 304 it is provided:

The President shall exercise the authority contained herein—

Which I have just read—

(1) to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. for food, raw materials, and markets, and (2) to assure that agricultural commodities sold or transferred hereunder do not result in increased availability or those or like commodities to unfriendly nations.

That language was placed in the act last year in order to give the President of the United States the authority and right to sell products or dispose of products to countries which could, it is believed, be broken out of the Soviet orbit. Why was it done? It was done because information came to us that such countries could be won over.

For example, I have just returned from Poland. I visited the country for over a week. I went all over the country. There is no question but that the Government of Poland is communistic. There is no doubt about it. However, I venture to say that the people there are against communism.

The second provision I have just read was adopted by the Senate and it is now the law. It gives the President the authority to determine the extent to which he can go in the sale of the commodities in the hope of winning over countries

that may be now attached to Russia but which may be won over from Russia.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. AIKEN. Would the Senator from Louisiana interpret the amendment as meaning that if any country now within the Communist orbit should attempt to break away from a Communist group, it could never expect any help from America?

Mr. ELLENDER. That is the way I interpret it.

Mr. AIKEN. Would it not be an iron-clad guaranty to Russian that we would never help any of her satellites achieve freedom?

Mr. ELLENDER. The Senator is correct. I thought the subject matter had been discussed thoroughly on the Senate floor when we adopted the proposal designed to give the President authority, through the Department of Agriculture and Department of State, to attempt, through these transactions, to wean the people of the so-called satellite countries away from the control of the Soviet Union. The amendment we adopted is very plain. It says:

The President shall exercise the authority contained herein (1) to assist friendly nations to be independent of trade with the U. S. S. R.

That is exactly what we are trying to do now. I am of the opinion that the agreement we entered into with Poland will have that effect in the long run. It is true that Poland's government is communistic. There is no doubt about it. However let us not lose sight of the fact that most of the people are overwhelmingly anti-Communist; we must remember that in Poland over 90 percent of the tillable land is still in the hands of individuals.

Mr. AIKEN. Did not the Senator notice that, according to articles in the newspapers the other day, Poland is giving a substantial portion of state-owned land to the people?

Mr. ELLENDER. That is because we are making progress in our effort to wean Poland and other Iron Curtain countries away from Russia.

Mr. AIKEN. That is a direct result of the assistance which the United States gives Poland. Is that not correct?

Mr. ELLENDER. There is no doubt about it.

Mr. AIKEN. Can we afford to serve notice on the people of Poland that we are condemning them forever to remain under Communist domination, and that no matter how much they desire liberty, they cannot expect any help from the United States?

Mr. ELLENDER. I am very much surprised and disappointed in the lack of confidence which some of the Members of the Senate on the other side of the aisle seem to show in the leader of their own party and a State Department whose policymakers are members of the same political party as the Chief Executive.

Mr. JENNER and Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield? If so, to whom does he yield?

Mr. ELLENDER. I yield first to the Senator from Minnesota.

Mr. HUMPHREY. I wish to say it is a pleasure to again be on the same side of an issue with my good friend, the Senator from Vermont. I believe he has put his finger on the question, namely, that by adopting an amendment which is interpreted as this one is, we would be serving notice, first, on the Russians, that they may do just as they want to do and that we will not interfere in the satellite nations; secondly, we would serve notice upon the people in the satellite nations who have had the courage to struggle away from some of the iron grip upon them, that they will get no help from the United States.

In the instance of Poland we should face the fact that this is a calculated risk. If my friends on the other side of the aisle want sure bets, then they are in the wrong party, first of all, and, in the second place, they are on the wrong side of the issue.

However, it seems to me that the cardinal of the Catholic Church in Poland believes that it is fit and proper that the United States make some effort to help the people of Poland throw off from their back the terrible yoke of Communist tyranny.

This involves food for hungry people. This involves food to break up collective farms. This is food to assist Poland to have at least a little living space.

Finally, I conclude by saying that I am getting a little weary, as a member of the Democratic Party, of continuously having to stand here in the Senate and take the heat for defending the administration in some of the more worthy aspects of its foreign policy. I know that the amendment can be interpreted that a vote against it is a vote for communism. Well, in that case, let me say that I am joining the side of the Pope and the cardinal of Poland. If Senators on the other side of the aisle want to stand up to the people of Poland and tell them that they will not give them assistance, let them take it up with the great spiritual leaders who have appealed for this assistance. Let them take it up with the great patriots who are appealing for this assistance. I commend the President and the Secretary of State and the Secretary of Agriculture in this instance.

Mr. BRIDGES. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. BRIDGES. I have watched the distinguished Senator from Minnesota on many occasions. I have just heard him say that he is wearing himself out defending the President.

Mr. HUMPHREY. No; I did not say that.

Mr. BRIDGES. I have never in my experience of listening to the Senator on many occasions heard the Senator strain himself in defending the President or anyone associated with him. I am glad to know that he has done it this time. I merely wish to say that if it were a question of helping the people of Poland I

would be glad to do so. However, I am opposed to helping the Communist Government of Poland entrench itself more and more and grind the people down.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield 1 minute to the Senator from Minnesota.

Mr. HUMPHREY. I wish to say to my good friend from New Hampshire that when the President and his Secretary of State have advanced proposals such as that for the peaceful use of atomic energy, the mutual-security program, and some of the other foreign-aid proposals, I have supported them. I regret that the leadership of the opposition party has not in all instances been able to do so.

I regret that in this instance, when the considered judgment of the statesmen of the free world, not merely those of America, but also of Great Britain, France, Italy, the Netherlands, and Denmark—our NATO Allies—is that the proposal relating to Poland is sound, the distinguished Senator from New Hampshire sets himself up as a specialist of one to say that we will have nothing to do with Poland.

I do not wish to make this a matter of the Senator's personal judgment against mine. I simply say that if the Senator from New Hampshire has a better way to help the people of Poland secure the food which they desperately need, I wish he would suggest it.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield 1 minute to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, this is a serious problem, the one brought up by this amendment. My remarks on it have nothing to do with any partisanship.

When I was on the other side of Government, there was always the problem as to whether or not to give assistance to countries which either were neutral or seemed to lean toward the Kremlin.

I was always honestly worried when such assistance was given, although almost invariably for it. Sometimes it worked out wrong. However, I feel certain that the people who are now operating the Government are honorable, and, in the last analysis, they have the responsibility for making administrative decisions.

I do not see how, if the President of the United States believes sincerely—and I am certain he would not advocate this particular assistance if he did not believe in it sincerely—that I, as a Member of the Senate, could at this time vote against his request to give the aid which he now justifies on the ground it is in the interest of the security of the United States.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield 2 minutes to the Senator from New Jersey.

Mr. CASE of New Jersey. Mr. President, I rise with some diffidence, because I know that many Senators, by reason of their committee work, are far more familiar with this subject than I am.

I certainly do not want to leave the impression that there is any lack of support on this side of the aisle for the program which the President and the Secretary of Agriculture are advocating in this matter. As the Senator from Missouri has said, these are not easy matters to decide.

Mr. JENNER. The Secretary of Agriculture is not supporting the bill for more than 1 year.

Mr. CASE of New Jersey. The Secretary of Agriculture states that the administration supports this measure. I support it, as I am sure the greater majority of Senators on both sides of the aisle do.

This is not an easy question to decide. Every time we aid countries behind the Iron Curtain there is some danger that we may, in a way, be strengthening the hold of the Communists upon those countries. Still, as the Senator from Vermont has, in his very simple but eloquent way pointed out, there is also the necessity of making it possible for those countries and their people to have some hope that eventually they may be able to loosen themselves and come out from under.

I, for one, shall support the proposal to give the President of the United States a chance to use his discretion. Only he can use it, because only he knows the details and the facts in any particular situation to offer this kind of help which, in my judgment, is urgently needed.

Mr. ELLENDER. Mr. President, I have 1 minute left. I yield it to the Senator from Connecticut.

Mr. BUSH. Mr. President, it seems to me that support of the bill and opposition to the amendment are entirely in accord with the principles of the Republican platform as adopted in 1956. I say this specifically in answer to my friend from Minnesota. I believe sincerely that the self-determination of peoples is a cardinal plank in the foreign policy of the United States, and it should remain there. I take it that the administration of this act is in accordance with that policy.

I do not believe, with all respect to the patriotism and good judgment of my friend, the sponsor of the amendment, that the amendment will improve the situation one bit. I think, on the contrary, that the adoption of the amendment at this time might have a very unfortunate effect upon friends and allies in the NATO alliance, and perhaps elsewhere. For that reason, I believe the amendment should be rejected.

Mr. ELLENDER. Mr. President, I yield 1 minute to the able Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I join in what the Senator from Connecticut and other Senators have said. I think it would be a great mistake to attach an amendment of this kind to the bill. This particular policy is certainly a bipartisan, or nonpartisan, policy. The administrations of both parties have felt that measures of this kind were in the interest of the United States. That is, of course, the reason for them. They can be played with, and emotions can be aroused.

It is quite arguable, of course, that this would be a beneficial amendment. But I think, with all deference to the distinguished Senator from Indiana, that it would be very dangerous indeed to attach the amendment to the bill. I hope the Senate will reject it. I know the Senator from Indiana feels very strongly about it.

Mr. JENNER. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Indiana has 5 minutes remaining.

Mr. JENNER. I think the record should be clarified. Secretary Benson is not in favor of the bill. He wanted it limited to 1 year at a time. He so said and testified, and that is in the report. Ask him.

To correct the distinguished Senator from Connecticut [Mr. Bush], I do not think the Republican Party ever had anything in its platform which stated that it would be willing to use the taxpayers' money to aid, abet, support, and feed Communists.

Let us not be naive about Tito. Tito has already publicly announced that in case of war he would march at the side of the Russians.

I should not like to have the Senate reject an amendment of this kind, because I doubt that most Senators have read it. I shall read it again:

Section 107 of Public Law 480 is hereby amended by adding the following: "or (3) any nation which has indicated directly or indirectly that it will support the Soviet Union, the Communist government of China, or any other Communist government, in event of hostilities between such government and the United States."

In my opinion that is clear; it is plain. That is what we are trying to do.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Trade Follows Aid" Sadly Untrue Slogan," written by Michael Padev, and published in the Indianapolis Star of March 19, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"TRADE FOLLOWS AID" SADLY UNTRUE SLOGAN
(By Michael Padev)

Foreign aid supporters often argue that overseas grants by the United States Government help American trade with foreign countries. "Trade follows aid" now has become a familiar and even a popular slogan. Yet, as with so many other things concerning our foreign-aid program, this slogan is based on a myth. The truth is that foreign aid has not helped American trade anywhere on earth. United States trade with the world at large can be divided, roughly, into four equal areas in terms of volume of trade: Canada, Latin America, Western Europe, and the rest of the world. In other words 17 million Canadians buy as many United States goods as 170 million Latin Americans or 330 million western Europeans or 1,500,000,000 people in the rest of the world. The United States has given no aid to Canada whatever, comparatively little aid to Latin America but very generous aid to both Western Europe and the rest of the world. In terms of American foreign trade every Canadian (no aid) is worth 10 Latin Americans (little aid), or 20 western Europeans (very generous aid), or 100 inhabitants of the rest of the world (most gen-

erous aid). Clearly trade does not follow aid. The two things are completely unrelated to each other.

Far from helping our overseas trade United States foreign-aid spending often has damaged it. It has also considerably harmed America's economic and political interests. A good example of the latter is provided by Canada, our best and most dependable customer as well as our most important ally. The Canadian Government has protested several times to Washington against the disposal of United States wheat surpluses abroad. The Canadians are too polite to call this disposal policy by its proper name—it is foreign aid in food supplies.

BEEN VERY GENEROUS

Uncle Sam has been very generous in this sort of aid during the last few years. Enormous quantities of food supplies, largely wheat, have been sent as gifts to most Asian countries, including neutral India, as well as to most states in Europe, including Communist Yugoslavia and Poland. But Canada is one of the world's largest producers of wheat. Canada's prosperity depends on her wheat exports and her wheat exports depend on the demand for wheat in overseas markets.

If foreign nations which need wheat could get it free through the United States foreign-aid program they would obviously not think of buying it from Canada or any other wheat-exporting country. Thus American foreign aid in wheat and food supplies has inflicted severe damages to Canada's export trade and to Canada's economy.

But Canada's economy is very closely linked with United States economy. A crisis in Canada would have immediate and serious effects in the United States. Our annual exports to Canada exceed \$3,500,000,000. This represents nearly one-fourth of our total exports—to the whole world. Moreover, the Canadians pay cash for what they buy in the United States, and the Canadian dollar is just as good an international currency as the American dollar. In short, our best interests are at stake in Canada's economic development. Yet, by dumping American foreign-aid food supplies abroad, United States foreign-aid planners do considerable damage to Canada's export trade.

If this foreign-aid food policy continues, our trade with Canada is bound to suffer, too. This, in its turn, will hit—and hit hard—American industry. American agriculture, and American business, all engaged now in the very profitable Canadian export trade. Indiana will suffer particularly badly, as the Midwest States are engaged in Canadian trade more than any other part in the United States or of the world. The Great Lakes area, extending over both United States and Canadian territory, is, in fact, a closely dependent economic unit. By harming United States-Canadian trade and the Canadian economy United States foreign-aid planners harm also Indiana's economy.

How crazy can people in Washington get?

Mr. JENNER. Mr. President, I remind the Senate that yesterday I called attention to the fact that in 7 months of the fiscal year 1958 our Government shipped out \$160 million worth of surplus wheat and flour, and that more than a third of that went to Poland and Yugoslavia.

In the same few months, we gave away, or lent for 30 or 40 years, \$45 million worth of cotton. Three-fourths of that cotton went to Poland and Yugoslavia. Now we say we want to feed hungry people. There is nothing in the amendment about the need to feed hungry people. It is planned that we will spend \$40 billion this year. But when the Communist nations take the food we send them, and then, in direct propor-

tion, increase their defense expenditures while we are bankrupting ourselves almost daily to fight communism, I think it is about time we stopped helping them, directly or indirectly.

Who is to say that the people of Communist Poland and Communist Yugoslavia are getting the benefit of the food and fiber we are shipping to them?

What do we know about it? We use the local currency paid for our products to finance the industries of the country getting our farm products, or we make grants to their schools and colleges. That is provided in the bill.

Or we work out travel arrangements for their farm leaders and labor leaders, while our own people visit the satellites, to be brainwashed by all the well-known social and intellectual lures.

Even while we in the Senate were debating more giveaways to Tito, Poland, India, and the rest, Tito was denouncing the United States in his best vituperative style. Tito said that the Kremlin's proposals about how to conduct a summit meeting are "constructive and acceptable." He said the West was shilly-shallying.

Mr. President, do we want to feed them forever? Under this proposal we would do it for another 2½ years, to the tune of \$3,500,000,000, if the Government of the United States so desired.

The correspondent for the Christian Science Monitor, which hardly is an isolationist publication, stated:

His [Tito's] position today, in fact, is at odds with the West on all its most vital positions.

Mr. President, Tito is cuddling up to Moscow on all issues of foreign policy. That has always been his position, and it will continue to be.

Tito is the foremost catspaw for the Soviet policy of always working through catspaws—doing the utmost damage to the free nations, without spilling one drop of Russian blood.

Mr. President, I wish I could agree with Tito that the Western nations are opposed to a summit conference. We know that a new summit meeting would be nothing but a trap for better Communist propaganda against the free nations. We know that the insistent demands in England, France, and the United States for a summit meeting are only Soviet propaganda, manipulated from Moscow.

Let Senators remember that the United States has already given vast amounts of money to England, France, and the other nations of Europe.

Mr. President, I do not care in the least what Tito thinks about anything. We should deal with the Soviet monkey, which uses the little nations on its borders as catspaws.

But I am concerned that responsible American citizens are so blind, so bewildered, or so venal, that they will pretend that Tito is some new kind of anti-Communist. I am shocked that they will vote to give away the hard-earned products of work on our farms and in our factories, in blind or stupid or venal attempts to win the favor of the little bandit Tito, who obeys, in every move,

the orders of the top Communist gangster, Khrushchev.

The PRESIDING OFFICER. All time available on the amendment of the Senator from Indiana has expired.

The question is on agreeing to the amendment of the Senator from Indiana.

Mr. BRIDGES. Mr. President, to the amendment of the Senator from Indiana, I submit an amendment which I send to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. In lieu of the Jenner amendment, it is proposed that the following be inserted:

Section 107 of Public Law 480 is hereby amended by adding the following: "or (3) any nation which has not assured the President directly or indirectly it will not support the Soviet Union, the Communist government of China, or any other Communist government, in event of hostilities between such government and the United States."

The PRESIDING OFFICER. Under the order, the Senator from New Hampshire is recognized for 15 minutes.

Mr. BRIDGES. Mr. President, this amendment to the amendment of the Senator from Indiana is in line with a public law passed during the 85th Congress, namely, an act entitled "To Amend Further the Mutual Security Act of 1954"; and it is based on, and is along the same line as the act by which we have given assistance to Yugoslavia. This amendment uses the same language as that used by Congress in that act, which reads in part, as follows:

In furnishing assistance to Yugoslavia, the President shall continuously assure himself (1) that Yugoslavia continues to maintain its independence, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3) that the furnishing of such assistance is in the interest of the national security of the United States. The President shall keep the Foreign Relations Committee and the Appropriations Committee of the Senate and the Speaker of the House of Representatives fully and constantly informed of any assistance furnished to Yugoslavia under this act.

In other words, my amendment does exactly what the Jenner amendment does, except it approaches the matter in a more positive way.

Mr. O'MAHONEY. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield for a question.

Mr. O'MAHONEY. I should like to ask the Senator from New Hampshire a question: Is the amendment which he has suggested to the Jenner amendment taken from the Mutual Security Act of 1954?

Mr. BRIDGES. What I just read came from the act, as amended; yes.

Mr. O'MAHONEY. Then that is the amendment which I submitted at the time when that measure was under consideration by the Senate. That amendment made it necessary for the President to make a finding that the government of Yugoslavia was not part of the Communist conspiracy to take over the world and to report to that effect to Congress.

Mr. BRIDGES. Yes.

Mr. O'MAHONEY. Am I correct?

Mr. BRIDGES. That is right.

Mr. O'MAHONEY. Is it not a fact that the State Department and the Government of the United States, through the President, last year recommended the modification of that amendment, and no longer that it is as binding as it was?

Mr. BRIDGES. Oh, no; it is still the law.

Mr. O'MAHONEY. Will the Senator from New Hampshire be kind enough to call for a copy of the act as it now stands, in order to see whether I am mistaken in my assumption?

Mr. BRIDGES. I think the Senator from Wyoming is mistaken, and I shall call for a copy of the act.

In the meantime, let me say that I have said, both in this Chamber and around the country, that when Russia brutally gave Hungary her blood bath of suppression, and when tears were shed by people all over our own great Nation, as well as the rest of the world concerning the fate of Hungary and the fate of the Hungarian people, and when tears were shed by Senators about the fate of Hungary and the Hungarian people, we know what the "virtuous" Communist government of Poland did. In the United Nations, it voted against the resolution condemning Russia for its brutal enslavement of the people of Hungary in the same roughshod way the people of Poland had been made prisoner. Under those circumstances, how can we vote to continue a policy aligning the United States of America with such a country?

Let us look some more at the dismal record of the Communist-ridden governments of Poland and Yugoslavia, as well for that matter, both are on record as favoring the admission of Communist China to the United Nations and as favoring the recognition of Communist China. Yet Members of this body which voted unanimously against such recognition vote continued aid for Communist governments which did.

Time after time the policy enunciated and the action taken by Poland and Yugoslavia have been contrary to the avowed policy of the Congress of the United States and the spirit of the laws of the United States and the expressed wishes of what I believe to be a majority of the American people.

EUROPEAN NATIONS RECOGNIZED COMMUNIST CHINA AND URGED UNITED NATIONS RECOGNITION

Mr. MALONE. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. MALONE. What European nation first recognized Communist China, and subsequently urged the admission of Communist China to the United Nations? Was it England?

Mr. BRIDGES. That is correct.

Mr. MALONE. Practically all of the nations of Europe have recognized Communist China and the admission of Communist China to the United Nations have they not?

Mr. BRIDGES. Perhaps not all of them, but certainly most of them have.

Mr. MALONE. Yes, of course. Is it not a fact that throughout the Korean war, anything shipped by the United States to the European nations was soon available to Communist China and then of course to Russia?

Mr. BRIDGES. I have heard that stated, but I do not know that it is a fact.

Mr. MALONE. We have investigated that matter and most of such material was available to the Communist area directly or indirectly.

Under those circumstances, if we ship—as is now intended—goods and funds, including our atomic secrets, to European countries, is it not to be presumed that those secrets will soon be in the hands of Russia and Communist China? If we have any secrets left. If we give our atomic secrets to European nations, how long does the Senator from New Hampshire believe it will be before Russia and Communist China will have possession of those secrets?

Mr. BRIDGES. Let me say that I am quite suspicious that such would be the result.

Mr. MALONE. I believe we are fully justified in being suspicious. When Russia beat us to the punch in sending a satellite around the world, it should not have been so surprising, since Russia then had all of our information plus their own discoveries, did she not?

Mr. BRIDGES. That is correct.

Mr. President, I have always favored the principle of foreign aid, and in the past I have not hesitated to support it. But I have understood that it was mutual aid for the purpose of mutual security, and that mutual security meant helping the nations which were willing to help themselves and which were friendly with the United States and allied with us in the general objectives which we and the rest of the free world have.

How we can reconcile that with giving help to the Communist nations, which have the avowed purpose of opposing everything the free world believes in, I do not know.

If such assistance would help the people in the countries now subjected to Communist oppression to throw off the Communist yoke, that would be different. But such aid will simply reduce their opportunities to throw off the Communist yoke.

The aid now proposed is definitely not the type of foreign aid I have supported in the past, and it is definitely not the type of foreign aid which I intend to support in the future.

Let there be no doubt that the Communist regimes are part of the international Communist conspiracy.

This Communist government of Poland has voted in the United Nations against the admission of South Korea and against the unification of North Korea and South Korea and against the censure of Russia for the ruthless suppression of Hungary, and has urged that Communist China be allowed a seat in the United Nations.

Mr. President, the recent announcement that the United States is making

available \$98 million of foreign aid credits to the Communist Red regime of Polish Premier Gomulka fills me with indignation. This makes a total of \$193 million extended so far in the fiscal year 1958. Not only does it arouse my indignation, but it seriously undermines the faith of the general public in our whole foreign-aid program. This is particularly so when the American taxpayers are being asked to continue to shoulder a crushing tax burden in a year of economic recession.

The record will show that I have supported foreign aid in principle, from its inception with the Marshall plan, down to and through the fiscal year 1958 budget; and I expect to continue my support in principle. That does not mean, however, that I have not, as now, questioned and opposed certain phases of it which seem to me entirely contrary to the declared policy of our foreign-aid program, and which actually seems calculated to produce results in opposition to our objectives.

The general declared policy of our foreign-aid program is to help friendly nations to help themselves. Under that policy, aid is supposed to be requested by the country desiring it, and for purposes of strengthening either its economic condition or its military posture in its effort to become a strong free-world partner.

I am as critical of, and as much opposed to, the extension of foreign aid to the Communist regime in Poland as I am to its being extended to the Communist regime in Yugoslavia. Through the years I have—both in Appropriations Committee and here on the floor of the United States Senate—worked to cut off aid to Communist regimes. Through all those years I have never yet seen any manifest justification for spending American tax dollars in the support of an unfriendly Communist regime. I can see no more justification for supporting Gomulka's Communist Poland than there has been for supporting Tito's Communist Yugoslavia.

It seems to me utterly fallacious to maintain that there are, somehow or other, two types of communism—the bad type represented by the Soviet International Communist conspiracy, and the so-called good type of supposedly independent communism, as exemplified by Tito and Gomulka.

Mr. President, in my opinion, communism is communism, no matter where it is found. No one can persuade me that any Communist regime is not primarily linked with the parent Soviet dictators of international communism.

Tears have been shed around this country and in effect also here today that it would hurt the people of Yugoslavia and Poland if we did not continue this program. If I believed it would really help the people of Poland and Yugoslavia throw off the yoke of communism I would be for it and I would vote for it. I do not believe it would. I think it would strengthen the Communist regimes and the people will have greater difficulty than ever. I respect Senators of this body who have other views, they are entitled to them, but I

do not agree with them. I think their actions will come back to haunt them even though I may hope for their sakes they will not.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield 2 minutes to the Senator from Indiana.

Mr. CAPEHART. This is not an easy matter on which to vote, because there are good points on both sides of the question. I think a year ago I would have voted for the amendment. The question before the Senate is whether we want to see some of the satellite countries break away from Russia. I was in Poland last October. I have to be factual about the matter. I suppose if I wanted to be emotional about it, I would let my emotions run away with me and support the amendment, because I am so opposed to communism, and always have been. But I must be factual, and tell Senators I was in Poland. My best judgment is that the Polish Government is pro-Communist, but the Polish people are not. I found Polish churches open, and more people going to church than ever. I learned that much of the land is in private hands. A calculated risk is involved. My judgment is that, since surplus food is involved, we would be better off if we tried to aid the Polish people, so that they might break away from Russia, if it became possible. It will not be easy.

Mr. BRIDGES. Mr. President, I yield 2 minutes to the Senator from California.

Mr. KUCHEL. Mr. President, the decision in the Senate on either the amendment offered by the Senator from Indiana or the substitute offered by the Senator from New Hampshire is going to be no test of patriotism. There is no question of the patriotism of any United States Senator. The question here is whether the Members of the Senate desire to implement—to make more clear—a policy which the Senate itself, together with the House of Representatives, adopted when Public Law 480 was approved in the 83d Congress.

This has nothing to do with the desire of the Government or the people of the United States to render assistance and to give necessary foodstuffs to any people anywhere around the globe who might be in need of additional food. That desire is expressed in the present statute and in the bill before us, and is opposed by all of us. I take it all of us understand title II of the act entitled "Famine Relief and Other Assistance," in which it is specifically provided that the President of the United States, up to the amount of \$300 million, can make available American foodstuffs to people, whether they live in friendly nations or whether they live in unfriendly nations. That is not an issue here. That is not in dispute in the Senate today.

What is important is whether or not the United States Senate agrees with the policy the Congress set down in the law in 1954. It has been alluded to before. It sets forth what our policies shall be with regard to the expansion of trade with friendly nations. Then it defines

who is friendly and who is not. It excludes trade with the U. S. S. R. under this law, and those countries dominated or controlled by the U. S. S. R. I approve that policy. I do not want this bill to permit activity under it with any Communist-dominated country.

I think the Senator from New Hampshire has done a service, and so has the Senator from Indiana, in giving us an opportunity, in clear-cut fashion, to lay down what the policy shall be.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BRIDGES. Mr. President, I should like to say just a word. The Senator from California has stated that the patriotism of certain Senators has been questioned. That is not true. Neither the Senator from Indiana nor the Senator from New Hampshire did that. We know every United States Senator is a patriot, and we respect all Senators, but we do differ very fundamentally with their judgment. We think many who take the other side of the question are wrong, and that the matter will come back to haunt them. The question is in issue. Time will tell whether we are right or wrong. I am willing to coast along with the time, because I think the Senator from Indiana and the Senator from New Hampshire will be proven correct.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. How much time remains on the amendment?

The PRESIDING OFFICER. All time of the Senator from New Hampshire has expired. The Senator from Louisiana who controls the opposition time, has 15 minutes remaining.

Mr. O'MAHONEY. Will the Senator from Louisiana yield me 2 minutes to express some of my doubts?

Mr. ELLENDER. I yield 2 minutes to the Senator from Wyoming.

Mr. O'MAHONEY. I think a glance at the budget, which is before us, will prove to everybody concerned how vital is this issue which is raised by the bill before the Senate. The Bureau of the Budget has issued a document entitled "The Federal Budget in Brief." On the cover appear the words "From the Executive Office of the President, Bureau of the Budget, Fiscal Year 1959."

On page 14 of the document there is a diagram which shows the estimated expenditures sent to Congress by the President in January for fiscal 1959. The first item is \$45,800,000,000 for major national security. Next, \$7,900,000,000, for interest on the national debt. Next, \$5 billion, for veterans.

If we add those three items, we have a total expenditure of \$58,700,000,000 for past wars, for preparation for future wars, for the rehabilitation of veterans who have suffered in the preceding wars. Fifty-eight billion is fifty thousand million. I emphasize the word "million."

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. O'MAHONEY. I ask for 2 additional minutes.

Mr. ELLENDER. I yield 2 additional minutes to the Senator from Wyoming.

Mr. O'MAHONEY. That is a total of \$58,700,000,000 for purposes of war. There is left only \$15,200,000,000 for all other activities of Government.

Unless we win the fight for freedom here within our own shores, it is difficult, indeed, for me to comprehend how it is possible for us to hope to buy the support of satellite nations; but because the President is submitting this project, I shall, I think, support the bill and vote against the amendment, the President should not be repudiated by the Congress where food for hungry people is involved. I want to call the attention of the Senate to the fact that the Mutual Security Act of 1956 contained the following provision:

SEC. 143. Notwithstanding any other provision of law, no assistance under this title or any other title of this act, or under any provision of law repealed by section 542 (a) of this act, shall be furnished to Yugoslavia after the expiration of 90 days following the date of the enactment of this section, unless the President finds and so reports to the Congress, with his reasons therefor, (1) that there has been no change in the Yugoslavian policies on the basis of which assistance under this act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3) that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia under this act.

This was the amendment I offered and to which I referred a moment ago in my colloquy with the Senator from New Hampshire.

When the Mutual Security Act came before Congress in 1957 for amendment this section was changed. It was modified. It was tempered. It was ameliorated. It was made softer on Tito and his allegiance to the Communist conspiracy.

Mr. President, in the interest of time I ask unanimous consent that the 1957 modification of the amendment be printed in the RECORD in full, so that all may know what the policy of the State Department is. In spite of this, however, because I want to use our surplus food to feed hungry people I shall vote against the amendment.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

SEC. 143. Assistance to Yugoslavia: In furnishing assistance to Yugoslavia, the President shall continuously assure himself (1) that Yugoslavia continues to maintain its independence, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3) that the furnishing of such assistance is in the interest of the national security of the United States. The President shall keep the Foreign Relations Committee and the Appropriations Committee of the Senate and the Speaker of the House of Representatives fully and constantly informed of any assistance furnished to Yugoslavia under this act.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield 1 additional minute.

Mr. O'MAHONEY. It is quite clear that the administration has changed its

point of view and that the Congress—particularly the Committee on Agriculture and Forestry—is now offering the bill in the hope that despite the wavering position of the State Department and the President with respect to Yugoslavia we will be able to do this for the purpose of using our surplus foods to feed the hungry people.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Louisiana has consumed 5 minutes of his time.

Mr. ELLENDER. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 1 minute.

Mr. ELLENDER. If anything, the amendment now under consideration is worse than the amendment offered by the Senator from Indiana [Mr. JENNER]. It would provide that any nation which has not assured the President that directly or indirectly it will not support the Soviet Union or any Communist government cannot get assistance. The amendment under consideration will have the same effect as the amendment of the Senator from Indiana [Mr. JENNER], but it almost requires the establishment of an alliance by a foreign nation with the United States.

I agree with my good friend from Indiana [Mr. CAPEHART]. There is no doubt in my own mind that the Polish people are very friendly to the United States and that such assistance will go far towards making them independent of the Soviet Union. If such can be accomplished, there is every reason for the act to remain unchanged, in this respect.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield myself another minute.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 1 minute.

Mr. ELLENDER. That is exactly what the Congress had in mind when it enacted section 304, giving the President authority to assist friendly nations to free themselves from the control of the Soviet Union.

The decision is left up to the President and the Secretary of State. In the case of Poland, it was their decision that by assisting Poland they might cause that country to be weaned away from the Soviet Union. In the long run our Government will benefit from such a procedure.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the distinguished Senator from Kentucky [Mr. COOPER].

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 5 minutes.

The Senate will be in order.

Mr. COOPER. Mr. President, I rise to oppose the amendment offered by the junior Senator from Indiana, which is proposed to be amended by the distinguished senior Senator from New Hampshire [Mr. BRIDGES].

All of us are moved by the same feeling of revulsion, against the practices of

communism, which animates the two Senators who have offered these amendments. I must say, nevertheless, that I believe the amendments are not in the best interests of the United States.

All of us know that we and other democratic countries are in a struggle with Soviet Russia, and that it will go on for a long time. It might be resolved but, I hope never, and our country hopes never by war. We hope, it may be resolved in time by just agreements but that does not seem to be possible at this time. In the long run, if a balance of power in the world can be developed, with the influence to convince Soviet Russia that they cannot successfully prosecute a war against the United States or that just settlement must be made for the peace of the world—we may resolve the impasse.

It is upon the last ground that I believe these amendments are a wrong approach to the problem. I shall give my reasons.

First, I speak of our aid to Poland and Yugoslavia. We have undoubtedly helped these peoples for humanitarian reasons. But, I believe, that politically, the Department of State, and the President of the United States have been willing to make loans to Poland and Yugoslavia because those countries to some extent, have asserted some independence of Soviet Russia. We can encourage them to keep a measure of independence from Soviet Russia and to encourage, by their example, other nations to break away. Certainly, that is an important objective.

Second, I speak to the amendment of the senior Senator from New Hampshire. The senior Senator from Louisiana is exactly correct. If we adopt the amendment which has been proposed by my friend from New Hampshire, it will extend the prohibition of aid under this bill, I would guess, to 50 countries in the world—to newly independent countries in the Mideast, in Asia, and the new countries of Africa. They are not allies of Soviet Russia, but as newly independent countries they do not want a great power to dictate their policy—what they will do in the future, and what they will do in the present cold war. Although they are independent and democratic, and do not intend to join the Soviet Union in case of war, they do not want to become involved in the cold war. If they take the position that they cannot in national honor sign the agreement which the amendment proposes, what will happen. We shall have then denied our assistance, and isolated ourselves from many countries in the Mideast, with which we have been concerned for over a year. We shall likewise have isolated ourselves from many newly independent countries of Asia and Africa. If we pursue such a policy we shall end up being isolated from over half the peoples of the world.

I do not think that is the way, over a long period of years, to attempt to make friends throughout the world. I do not believe that is the way to alter peacefully the balance of power, which may finally convince Russia that there must be a peaceful and just solution of the world's difficulties.

For these reasons, admitting the patriotic impulses of our two friends, we are faced with a choice of methods. We know what our objectives are. We know we are engaged in a long struggle. I believe the amendments should be defeated, because they will not help us win the struggle.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield 20 seconds to the Senator from Indiana.

Mr. JENNER. Mr. President, I ask to modify my amendment in accordance with the provisions of the amendment offered by the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

Mr. LAUSCHE and Mr. SALTONSTALL addressed the Chair.

Mr. ELLENDER. Mr. President, I yield 3 minutes to the Senator from Ohio.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. ELLENDER. I yield the balance of my time to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 2 minutes and 40 seconds.

Mr. LAUSCHE. Mr. President, I am of the firm conviction that conflicting positions can be taken on this amendment with complete justification, regardless of the side chosen.

I have great fears about the adoption of the amendment offered by the Senator from New Hampshire. It would not only deal distinctly with Poland and Yugoslavia, but would embrace many other nations with respect to which prospects for good relations with the United States Government are favorable.

I agree with what the Senator from Kentucky [Mr. COOPER] has said, that the amendment of the Senator from New Hampshire would take in the nations of the Middle East and the Far East, and other nations that are not necessarily friendly to Russia, and for that reason I think, with due respect to the Senator from New Hampshire, that his amendment is not well taken.

With respect to the initial amendment offered by the Senator from Indiana [Mr. JENNER], it is my belief that by giving aid to the Governments of Yugoslavia and Poland, we are deceiving the people of Poland and Yugoslavia into the belief that the people of the United States are friendly to those governments. Just as surely as the night follows the day, the people of Yugoslavia do not want Tito and his Communist government. It is equally certain that the Polish people do not want a Communist government.

My fear is, that by giving money and other aid, to them, we are delaying in two ways the advent of the upheaval of the Communist regimes in Poland and Yugoslavia.

First, we are deceiving the worker in the fields of Yugoslavia into the belief that there is friendliness among the American people for the Yugoslav Government.

Second, we are relieving the Communist governments of the responsibility of providing sustenance for their citizenry, and thus increasing the ability of these

governments to develop armaments of war. While I favored the original amendment offered by the Senator from Indiana, I regret that I will have to vote against its modified form resulting from the acceptance of the New Hampshire Senator's version of the course we should follow.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

All time on the amendment has expired. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. JENNER], as modified.

Mr. AIKEN. Mr. President, I yield myself 1 minute on the bill.

I will not vote "no confidence" in the President in the field of foreign affairs. I will not give assurance to Russia that we will not give assistance to any of the satellite nations which seek to break away from the Communist orbit.

I will not blast the hopes of freedom which the people of Poland, or any other nation of Eastern Europe may have at this time.

I will not embarrass friendly nations with which we are at present carrying out coordinated programs; and therefore I shall vote against the pending amendment.

Mr. ELLENDER. Mr. President, I yield 1 minute on the bill to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, we worked out this problem with respect to Yugoslavia last year after a great deal of difficulty, by leaving discretion in the President as to whether to send aid to Yugoslavia and by requiring him to give assurances to the Congress periodically.

I think the amendment of the Senator from New Hampshire is not in satisfactory language at the present time, but it does leave discretion in the President. I believe the amendment should be re-drafted in the House, or in the Senate before the bill is finally passed so as to leave discretion in the President. I am glad to leave discretion in the President, as we did last year with respect to Yugoslavia.

We must soon consider an appropriation bill for foreign aid. This entire subject will come up in connection with that appropriation; I believe we can settle it satisfactorily by letting the President decide whether foodstuffs should go to Poland, Yugoslavia, or any other nation which, in his judgment, is not committed to fight against us in case of a war.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator Florida [Mr. HOLLAND] on the bill.

Mr. HOLLAND. Mr. President, I do not think sufficient emphasis has been laid on the fact that this amendment applies not solely to Poland and Yugoslavia, but particularly to all the neutral nations of the earth.

I do not think we can demand of a neutral nation which needs our help, and whose friendship we hope to win, that it should commit itself in advance before it may be dealt with under this act. If we were to do so we would not only give offense to that nation, but would, in effect, be serving notice to the world that we do not care to have any

more friends and allies than we now have. I do not want to be in that position.

I have perfect confidence in the patriotism of the President of the United States and of the Secretary of the State Department. I do not believe that they will deal helter-skelter with neutral nations, but will deal with them under the provisions of the bill only when they think there is a fair and reasonable opportunity to do them lasting good, and to leave them in a more friendly attitude, and more likely to side with us in the event of real trouble. I repeat that I do not believe we are in a position in which we want to serve notice to the world that we do not desire any more allies or friends.

Mr. AIKEN. Mr. President, I yield two minutes on the bill to the Senator from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, obviously, a Senator may not offer an amendment in the third degree.

I always become a little disconcerted by the haste with which language is drafted on the floor of the Senate. If it were possible to offer an amendment, I would offer a substitute which would place the burden on the President, and provide that no nation shall receive aid unless the President has assured himself, with respect to such nation, that it will not directly or indirectly support the Soviet Union, and so forth.

As the amendment is drawn at the present time, other nations must directly or indirectly indicate their attitude to the President. That puts a burden on them. Under the terms of revised language, the burden would be placed upon the President to be assured on that point. No other report to the Foreign Relations Committee would be required; and no report to the Speaker would be required, as was required in connection with the provision in the Mutual Security Act dealing with Yugoslavia.

Mr. President, I ask unanimous consent to have printed in the RECORD the complete text of the amendment I would have offered in lieu of the amendment of the Senator from Indiana, had it been in order to do so; and following that, section 143 of the Mutual Security Act approved August 14, 1957.

There being no objection, the amendment and section were ordered to be printed in the RECORD, as follows:

Section 107 of Public Law 480 is hereby amended by adding the following: "on (3) any nation, unless the President has assured himself with respect to such nation, that it will not directly or indirectly support the Soviet Union, the Communist Government of China, or any other Communist government in event of hostility between such government and the United States."

Sec. 143. Assistance to Yugoslavia: In furnishing assistance to Yugoslavia, the President shall continuously assure himself (1) that Yugoslavia continues to maintain its independence, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3) that the furnishing of such assistance is in the interest of the national security of the United States. The President shall keep the Foreign Relations Committee and the Appropriations Committee of the Senate and the Speaker of the House of Represent-

atives fully and constantly informed of any assistance furnished to Yugoslavia under this act.

(c) Add a new section 144 as follows:

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. JENNER], as modified. All time on the amendment has expired.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Washington [Mr. JACKSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Oregon [Mr. MORSE], and the Senator from Georgia [Mr. TALMADGE], are absent on official business.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Washington [Mr. JACKSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Oregon [Mr. MORSE], would each vote "nay."

On this vote, the Senator from New Mexico [Mr. ANDERSON] has a general pair with the Senator from South Dakota [Mr. CASE].

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent because of death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The Senators from New York [Mr. IVES and Mr. JAVITS] are detained on official business.

The Senator from South Dakota [Mr. CASE] and the Senator from Iowa [Mr. HICKENLOOPER] are also detained on official business.

The Senator from Arizona [Mr. GOLDWATER] and the Senator from Pennsylvania [Mr. MARTIN] are absent because of illness.

On this vote the Senator from Maryland [Mr. BUTLER] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Vermont would vote "nay."

On this vote the Senator from South Dakota [Mr. CASE] has a general pair with the Senator from New Mexico [Mr. ANDERSON].

The result was announced—yeas 24, nays 53, as follows:

YEAS—24

Barrett
Beall
Bricker
Bridges
Cotton
Curtis
Dirksen
Dworshak

Hruska
Jenner
Knowland
Kuchel
Langer
Malone
Martin, Iowa
Mundt

Payne
Revercomb
Russell
Saltonstall
Schoeppel
Smith, Maine
Thurmond
Williams

NAYS—53

Aiken
Allott
Bible

Bush
Byrd
Capehart

Carlson
Carroll
Case, N. J.

Church
Clark
Cooper
Douglas
Eastland
Ellender
Ervin
Frear
Fulbright
Gore
Green
Hayden
Hill
Hoblitze
Holland

Humphrey
Johnson, Tex.
Johnston, S. C.
Kefauver
Kerr
Lausche
Long
Magnauson
Mansfield
McNamara
Morton
Murray
Neuberger
O'Mahoney
Pastore

Potter
Proxmire
Purtell
Robertson
Scott
Smathers
Smith, N. J.
Sparkman
Stennis
Symington
Thye
Watkins
Warborough
Young

NOT VOTING—19

Anderson
Bennett
Butler
Case, S. Dak.
Chavez
Flanders
Goldwater

Hennings
Hickenlooper
Ives
Jackson
Javits
Kennedy
Martin, Pa.

McClellan
Monroney
Morse
Talmadge
Wiley

So Mr. JENNER's amendment, as modified, was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. WILLIAMS. Mr. President, on behalf of the Senator from New Hampshire [Mr. BRIDGES] and myself, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 2, lines 23 and 24 it is proposed to strike out "June 30, 1960" and insert "June 30, 1959."

On page 3, lines 1 and 2, strike out "June 30, 1960" and insert "June 30, 1959."

Mr. WILLIAMS. Mr. President, my amendment merely cuts the program back to 1 fiscal year ending June 30, 1959. The amendment is endorsed by the Department of Agriculture. When the Department asked for the extension of the program, it asked for \$1½ billion for fiscal 1958. They object to the extension of the program for a 2-year period on the basis that should it be needed they would be back next year to ask for another extension. Even with the adoption of this amendment it will still have authority for \$2 billion extra money. The Department and many on the committee think that the program should be reviewed by the appropriate committees of Congress and by the Department on an annual basis. To reject the amendment means that we will be giving this agency authority in the amount of \$3½ billion over a 2-year period or \$1½ billion more than they even ask for.

If the amendment is agreed to, there will still be an additional \$500 million for fiscal 1958 and the full amount or \$1½ billion requested by the Department for 1959.

With this amount of money involved, the program should have an annual review.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter which I received from the administration, in which it is strongly recommended that the program be limited to 1 year, followed by a copy of a letter from the Department under date of March 11, 1958, addressed to Senator ELLENDER, the chairman of the committee, in support of the Aiken amendment which the Senate adopted earlier.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 7, 1958.

HON. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: Attached is a copy of the statement that you may use as you see fit, regarding the amendments to Public Law 480 recently adopted by the Senate Committee on Agriculture and Forestry. This material was prepared in response to your request to Clyde Wheeler.

If you need anything additional, please let us know.

Sincerely yours,

DON PAARLBERG,
Assistant Secretary.

MARCH 7, 1958.

1. Reason for request for 1-year extension instead of 2 years:

The administration construes title I of Public Law 480 as a temporary means of moving accumulated agricultural surpluses abroad in a constructive manner. Limiting the extension of this authority to 1 year permits an annual review of the program by the Congress. Such annual review is important both with respect to effective surplus disposal under special programs and maximum effect on commercial exports. There is a likelihood that an extension of more than 1 year would tend to assign some degree of permanence to the program; it would also give less impetus to consideration of alternative methods of surplus disposal which might give greater emphasis to commercial exports. Orderly programing and shipping can be achieved under annual extensions as long as authorizations are provided soon enough during the year to prevent interruptions in programing.

2. Why yearly review is recommended:

Although Public Law 480 provides important authorities concerned primarily with the disposal of agricultural surpluses, the act requires wide Government coordination. It combines many purposes which affect our domestic and foreign economic policies and involves activities of several departments and agencies. Some of the facets of Public Law 480 can be touched on briefly. The large disposals to our friends abroad contribute directly to foreign policy objectives; the large amounts of local currencies loaned back to importing countries are coordinated by the International Cooperation Administration in mutual security operations; and local currencies are used to pay United States expenses abroad and finance agricultural market development, educational exchange programs and other activities.

Because of this complex nature of Public Law 480, it appears imperative that administrative officials and the Congress make a full and complete appraisal of its operations on an annual basis.

3. Objection to new barter amendment:

The explanation of the barter amendment to S. 3039 prepared by the Senate Committee on Agriculture and Forestry makes it clear that the amendment is intended to remove any discretion that the Secretary of Agriculture now has to determine whether he should or should not barter. The explanation shows that the amendment is intended to be mandatory and makes it clear that the Secretary must barter CCC commodities if he is offered strategic or critical materials or other materials which entail less risk of loss or substantially less storage charges than the CCC commodities. In our committee session, nobody could tell us what was meant by other materials. I am afraid it means the Secretary might have to take such things as tea, spices, iron ore, or perhaps even bottle caps under the barter program. To direct the Secretary to engage in a broad program of industrial material imports

which are not strategic or critical materials, the amendment would in effect say that the Congress would rather have the Secretary accept bottle caps instead of dollars for his agricultural commodities. Under the present law, the Secretary is directed to barter only when he believes that barter will protect the funds and assets of the Commodity Credit Corporation—in other words, he will barter when he cannot sell the same commodities for dollars. By removing this discretionary language from the amendment, the committee is saying that it is unimportant whether barter commodities are in addition to dollar sales or whether they replace dollar sales.

I cannot see how we can ask the Senate to enact a law which claims that barter is superior to cash sales. I do not see how we can tell the Secretary that he is not to consider the effect of proposed barter on regular cash sales. Nor can I understand why this same Senate committee in recommending extension of title I of Public Law 480, the provision that authorizes foreign-currency sales, directs the President to only make such sales when they are in addition to our usual commercial marketings and does not believe it necessary to include the same provision in their amendment of the barter program. Obviously, if it makes sense in title I, it also makes sense in the operation of the barter program.

The committee explanation of the barter provision makes much of the fact that barter permits the United States exporter to cut his sales price for the commodity and thereby gain a competitive edge. If this can be done under the barter program, why would it not make sense to do so on cash sales by the Commodity Credit Corporation.

Finally, the Department of Agriculture has never said it is against barter. It is for barter. It has only asked that care be exercised to insure that the barter of agricultural commodities be in addition to our dollar sales and not replacements. This is the reason that the barter program was changed last year. It is the reason why I believe that the proposed amendment is bad legislation.

DEPARTMENT OF AGRICULTURE,

Washington, D. C., March 11, 1958.

HON. ALLEN J. ELLENDER,

Chairman, Committee on Agriculture
and Forestry, United States Senate.

DEAR SENATOR ELLENDER: We have been requested by Senator HUMPHREY to give consideration to, and to report to your committee on possible language changes in the proposed amendment to title III of Public Law 480, 83d Congress, which would make it more acceptable from our standpoint. This legislation would direct the Secretary of Agriculture to barter up to \$500 million worth of agricultural commodities per year for materials under certain conditions. We are, however, unable to formulate any changes short of the virtual nullification of the proposed change which would eliminate our objections. The Department of Agriculture wishes to go on record as being vigorously opposed to its enactment into law.

The proposed elimination of any consideration by the Secretary of whether or not a barter transaction will protect the funds and assets of Commodity Credit Corporation as a criterion for exercising administrative judgment is an unprecedented approach to legislative direction. We believe the best interests of the Commodity Credit Corporation, as a Government instrumentality, are synonymous with the best interests of the United States.

In our judgment the elimination of the principle of "additionality as a result of barter" cannot be justified. This amendment directs the Secretary of Agriculture to completely ignore what agricultural commodities could be moved into export channels through

the normal channels of trade for purchase by our regular customers for dollars. Its effect could be to replace to the extent of up to \$500 million per year of cash business by barter for materials which for the most part there would be no need in the near future. These materials would go into dead storage in the hope that at some future time we will be able to utilize them without serious effects on domestic producers of these materials.

We have diligently studied the potentials of barter as a means of expanding our agricultural exports. We believe opportunities do exist. We believe honestly and sincerely our present policies will give some measure of assurance that increased exports are being accomplished through barter. We believe that the assumption that barter offers almost unlimited opportunities for expansion of exports is false. Such an assumption is based on the fallacious premise that the have-not countries of the world with respect to food and fiber are countries that have great material resources to trade for food and fiber. This is not true. We believe, however, that substantial additional business can be achieved if export contractors are required to demonstrate additionality. If this requirement is eliminated all contractors will turn to easy barter and be content to merely replace cash sales.

There are powerful forces urging opening the throttle on a barter program. An analysis of the reasons therefor is in order.

This country is in a position to buy for current consumption all the foreign produced materials the economy requires. Legislation exists for the procurement of all the materials deemed prudent to stockpile for future emergency defense needs. The rate and extent of such procurement is limited only by appropriation by the Congress. In spite of the zeal to substitute barter for normal exchange, the United States dollar can still be utilized to better advantage in world markets than our agricultural commodities. Then why do we have such strong pressures for a wide-open barter program? The fact is that a surplus situation exists in the world for many materials. The producers of those materials in the foreign countries and importers of those materials into this country want a price-support and surplus-removal program for those materials. We cannot solve the price-support and surplus-removal problems of our domestic agricultural economy by attempting to take on those same responsibilities for a much wider field of material production throughout the world.

Experience with our domestic agricultural programs has, we believe, led to one accepted axiom. Price support at profitable levels of production without effective controls on production can only lead to financial disaster. To the extent that barter provides a profitable outlet for foreign produced materials, over and above that normally existing, foreign production and resultant surpluses will be increased. Certainly this country has no and could not have any semblance of control over such production.

There are a few materials such as industrial diamonds of which there is no domestic production. Of the rest, the world production affects domestic producers by their competitive price in the United States market. The removal of and insulation from the market of those surpluses may provide a temporary price stabilization to domestic producers of such materials. Such was the result of rather extensive barter transactions involving lead and zinc in the past. An artificial outlet at profitable prices can only stimulate foreign production. When the Department of Agriculture realized the folly of serving as a dumping ground for foreign surplus lead and zinc with little resultant gains in the disposal of agricultural commodities we stopped the program for reappraisal. The domestic lead and zinc indus-

try felt the full impact of the price depressing effect of this stimulated foreign production. Such will be the inevitable result on other domestic producers of barter materials under a barter program which provides an outlet for surplus foreign materials and serves as a stimulant for further expansion of such surplus production.

The importers of diamonds have been vigorous proponents of expanded barter. Diamond production is controlled by cartel. World prices are maintained by the quantities of diamonds released to the market by those cartels. Diamonds have been held up as the glowing example of a material entailing less risk of loss through deterioration or substantially less storage charges than surplus agricultural commodities. There are a few surplus diamonds in the hands of importers now. The Congress, by the enactment of this proposed amendment, would direct the Secretary of Agriculture to not only provide a home for those diamonds but also to assure the diamond cartels of the world an outlet at world prices for an expansion of production up to whatever portion of the \$500 million limitation they could get the Department to accept.

Statements have been made in previous testimony before your committee by proponents of barter of the competitive advantage, price-wise, enjoyed by barter commodities. This has been advanced as an argument that barter stimulates agricultural exports. Assuming that such a price advantage exists, it can only serve to drive down the world price of agricultural commodities. Agricultural commodities moving under barter would be in competition, not only with agricultural commodities from other countries, but with agricultural commodities exported from this country through normal channels of trade. This can become a vicious circle. To the extent that the domestic market price is influenced by the price at which exporters can sell in world markets a lower price will result in order to meet the competition of the same commodity originating through barter.

The Department has, with the encouragement of Congress, made great progress in making agricultural surpluses in CCC inventory available on a competitive-bid basis in order to meet world prices. The exporter who buys for dollars must and will bid lower than he ordinarily would, in order to meet whatever price advantage accrues from acquisition of those same commodities through barter.

Not only would the funds and assets of the Corporation suffer under such a progressively vicious circle but also the taxpayers who must make good the losses of the Corporation.

The Department is not opposed to barter. We believe it has a place in our multi-approach to surplus removal through expanding exports of agricultural commodities. We also believe, however, that the interests of agriculture and the United States as a whole will best be served if it is limited to those instances where administrative judgment believes it creates additional foreign purchasing power and channels that purchasing power into buying United States agricultural surpluses which would not otherwise move into export through normal channels of trade.

It is important to note that the proposed legislation will result in no saving in storage charges to the Commodity Credit Corporation. It will, in fact, result in increased costs. This comes about because we will not be gaining new agricultural export business but merely replacing dollar sales by barter sales. This means CCC inventories remain about the same on the agricultural side of the picture. We would, however, receive materials which must be stored at the cost of the taxpayers instead of dollars which at present we can use to reduce the indebted-

ness and interest payments of the Federal Government.

In summary it may be helpful to tabulate a few of the things the proposed amendment would and would not do. The amendment:

(1) Would direct the Secretary to barter up to \$500 million worth of agricultural commodities per year even if such transactions would not conserve the assets of CCC and the Federal Government but would dissipate them.

(2) Would direct the Secretary to barter even though the so-called barter transactions would merely replace cash sales for dollars and would have a tendency to drive down the price which CCC would receive for its remaining sales for cash.

(3) Would require the Federal Government to pay storage on unspecified materials to be imported if the imported materials have storage costs and deterioration risks lower than agricultural commodities owned by CCC even though such materials could not be used in the foreseeable future.

(4) Would increase the interest costs of CCC and the Federal Government.

(5) Would provide world price support for materials without permitting domestic mining interests to benefit directly.

(6) Would require CCC officials who are not experts in this field to spend up to \$500 million for foreign materials each year.

On the other hand the amendment:

(1) Would not appreciably reduce CCC inventories of agricultural commodities.

(2) Would not to any measurable extent establish new agricultural export outlets or increase existing ones.

(3) Would not reduce storage costs of CCC.

(4) Would not reduce deterioration losses of CCC.

(5) Would not be of help to farmers or to our commodity inventory problems.

The proposed amendment prohibits the exercise of administrative judgment to an unprecedented extent. In our opinion it would, in retrospect, serve as a basis to discredit the Congress that enacted it and those who attempted to administer it.

Since this proposed legislation is ready for consideration on the floor of the Senate, we have not cleared this report with the Bureau of the Budget.

Sincerely yours,

E. T. BENSON,
Secretary.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BRIDGES. I support the amendment of the Senator from Delaware, which I had the privilege and honor of cosponsoring, because I think we are going wild on spending. We are in the midst of very changeable conditions in the United States. I think we should be in a position to review a great expenditure and a major policy decision such as this every year.

As the Senator from Delaware has carefully explained, the amendment will not affect the additional money needed for 1958 or for the full fiscal year 1959. It merely terminates the program at the end of fiscal 1959 to allow Congress to review an extension for the fiscal year 1960.

The amendment is sound in every respect. I do not see how any Senator can quarrel with it.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. MORTON. As I understand, the Senator's amendment merely cuts back the authorization 1 year.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. WILLIAMS. Mr. President, I had 15 minutes.

The PRESIDING OFFICER. The Senator yielded time, and now his time has expired.

Mr. WILLIAMS. I beg pardon. I had 15 minutes on my own amendment. I did not ask that time be yielded to me.

The PRESIDING OFFICER. The Chair was misinformed. The Senator from Delaware has 13 minutes remaining.

Mr. WILLIAMS. I thank the Chair. I yield to the Senator from Kentucky.

Mr. MORTON. As I understand, the amendment of the Senator from Delaware relates to the time element, and fixes the duration of the program at 1 year, instead of 2.

Mr. WILLIAMS. That is correct.

Mr. MORTON. It does not in any way affect the authorization for the remainder of this fiscal year or for the next fiscal year.

Mr. WILLIAMS. That is correct.

Mr. MORTON. The amount remains the same; the time is cut back.

Mr. WILLIAMS. It is merely a cut-back of the time. It eliminates the additional fiscal year, 1960. It does not affect the additional money provided for the remainder of this fiscal year, or the \$1.5 billion for the next fiscal year, as requested by the Department. It merely eliminates the fiscal year 1960, as the Senator has said.

Mr. MORTON. I support the amendment of the Senator from Delaware. I think we must bear this in mind. In the interest of the farmers of America, we hope some day to get back to a program under which our agricultural exports will be sold for cash. If we establish 2- or 3-year programs, I admit that it may be easier to make commitments, and it may be easier, in some ways, to enlarge the program. But we shall be putting into the minds of our agricultural customers, over the years, the thought that if they sit tight on their dollars, we will come along with a Public Law 480 program for them, sooner or later.

If we do not watch out, we will never have the opportunity to regain the agricultural profits we have historically enjoyed. That is another reason for my support of the amendment.

Mr. WILLIAMS. The same argument was made by the Secretary of Agriculture. He was fearful that an extension of the program over a long period of time might actually result in fewer sales than would be possible if our friends abroad thought this was to be extended indefinitely.

In view of the fiscal situation which confronts the Government, it would be well for us to consider that even accepting my amendment, we will still be providing \$2 billion for this program. It might be well a year from now to re-evaluate the financial situation of the Government and the status of the agricultural program to determine whether we can afford to or should extend it to

1960. Certainly any \$2 billion expenditure should be reviewed by Congress.

I hope that the Senate will adopt the amendment.

This program has helped the American farmer, and it has a lot of support from the many farm organizations. We in Congress have a responsibility to make a careful annual review of all transactions involved to make sure that the program does not become discredited. Secretary Benson, recognizing the need for this careful supervision, has endorsed the principle of my pending amendment, which would extend the program for just 1 additional fiscal year.

Mr. ELLENDER. Mr. President, I yield myself 2 minutes.

The committee was divided as to whether to provide for 1 year or 2 years. I myself voted for 1 year. As I understand the amendment, \$2 million would be provided for the rest of this fiscal year, and \$1,500,000,000 for the next fiscal year.

As I pointed out on the first day of the debate, the Department of Agriculture favored an extension for only 1 year. The testimony of Mr. Parberg was at variance with what is contained in the letter presented to the committee by the Department of Agriculture. After considerable debate in the committee, the committee decided to provide for an extension of 2 years. That is the sum and substance of what occurred.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield 2 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, before the vote, I think the Senate should know that the National Farmers Union, the American Farm Bureau Federation, and the National Grange—three great farm organizations of the United States—and the National Milk Producers Federation, and others, as well, have supported a minimum extension of 2 years. Whether that is persuasive or not, at least it should be a matter of record.

Second, I think it should be known that the arguments which are being used by the distinguished Senator from Delaware now were not the arguments he used when the law was authorized. The original authorization for Public Law 480 was for 3 years—not 1 year, not 2 years, but 3 years. It was only last year that Congress extended the law for 1 year. The year before last we extended it for 1 year. After that, we ran out of funds and had to close down the program. That disrupted the export program and the orderly marketing. That is according to the testimony of Mr. Paarlberg.

Mr. Paarlberg, the Assistant Secretary of Agriculture in charge of this program, and the economic adviser to the Secretary of Agriculture, a gentleman whose nomination was recently confirmed by the Senate, stated:

The request for a larger authorization this year is caused by changing world conditions. The dollar position of several countries has worsened and greater demand has resulted from poor harvests overseas. Shipments under past programs, particularly wheat for India, have been accelerated. In addition,

we would expect to program part of the new authorization before June 30 if the extension is granted soon enough.

At the same time the Assistant Secretary testified as to the importance of providing adequate authorization as follows:

In the title I program, orderly programming and shipping is extremely important. These are dependent on continuous programming without time out between utilization of separate authorizations. We have run into periods when title I programming has come to a standstill; for example, the development of new agreements virtually ceased in January 1957 when our authorization was almost exhausted. The availability of funds during the following months would have avoided a backlog of program requests from interested countries. This backlog resulted in the necessity to scale down, delay, or exclude country programs, and in erratic shipment performance. Shipments were running about 800,000 tons a month last spring; these dropped off to less than 400,000 tons and are now just starting to increase again. It is possible that this same condition will exist again unless an extension is granted early in this session of Congress.

This is a program which the Department of Agriculture wants to have continued, a program which it has said it will recommend to be continued. There has been no indication of a desire to discontinue it. The Department's economist has said, in effect, "If you really want a smooth-running program, if you want to get the most out of the program, authorizations for longer periods of time are needed."

It is a maximum of \$1,500 million a year; that is the total amount. It seems to me that good, prudent business practice would indicate that we should have at least a 2-year authorization.

I may add that if we can have a 2-year authorization for foreign aid, we should be able to have one for this program.

The PRESIDING OFFICER (Mr. PROXMIER in the chair). The time yielded to the Senator from Minnesota has expired.

Mr. ELLENDER. Mr. President, I yield 1 minute to the Senator from Vermont [Mr. AIKEN].

The PRESIDING OFFICER. The Senator from Vermont is recognized for 1 minute.

Mr. AIKEN. Mr. President in the committee my position on this matter was the same as that of the chairman of the Committee on Agriculture and Forestry, the distinguished senior Senator from Louisiana [Mr. ELLENDER], namely, \$2 billion to take us through the rest of this year and through the fiscal year 1959.

Although the bill, as written, would not be particularly harmful, yet I believe that if we can have a review made every year of this situation—as provided for by the amendment of the Senator from Delaware—it might be a little more satisfactory.

If we are to reduce our agricultural surpluses at the rate of \$1.5 billion worth a year, we want to keep rather close watch over them.

Mr. WILLIAMS. Mr. President, I hope the amendment will be agreed to.

I yield back the remainder of the time under my control.

Mr. ELLENDER. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER (Mr. PROXMIER in the chair). The question is on the agreeing to the amendment of the Senator from Delaware. [Putting the question.]

The "ayes" appear to have it.

Mr. HUMPHREY. Mr. President, I call for a division.

The Senate proceeded to divide.

Mr. HUMPHREY. Mr. President, on this question, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware [Mr. WILLIAMS]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNING], the Senator from Washington [Mr. JACKSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], the Senators from Georgia [Mr. RUSSELL and Mr. TALMADGE] are absent on official business.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNING], the Senator from Washington [Mr. JACKSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], and the Senators from Georgia [Mr. RUSSELL and Mr. TALMADGE] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] is absent because of death in his family.

The Senator from Maryland [Mr. BUTLER] and the Senator from Vermont [Mr. FLANDERS] are necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The Senators from New York [Mr. IVES and Mr. JAVITS] are detained on official business.

The Senator from Iowa [Mr. HICKENLOOPER] is also detained on official business.

The Senator from Arizona [Mr. GOLDWATER] and the Senator from Pennsylvania [Mr. MARTIN] are absent because of illness.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Maryland [Mr. BUTLER], and the Senator from Vermont [Mr. FLANDERS] would each vote "yea."

The result was announced—yeas 38, nays 42, as follows:

YEAS—38

Aiken	Dirksen	Payne
Allott	Dworshak	Potter
Barrett	Frear	Purcell
Beall	Hoblitzell	Revercomb
Bricker	Hruska	Robertson
Bridges	Jenner	Saltonstall
Bush	Knowland	Schoeppel
Byrd	Kuchel	Smith, Maine
Capehart	Lausche	Smith, N. J.
Carlson	Malone	Thurmond
Case, N. J.	Martin, Iowa	Watkins
Cotton	Morton	Williams
Curtis	O'Mahoney	

NAYS—42

Anderson	Hayden	Monroney
Bible	Hill	Mundt
Carroll	Holland	Murray
Case, S. Dak.	Humphrey	Neuberger
Church	Johnson, Tex.	Pastore
Clark	Johnston, S. C.	Proxmire
Cooper	Kefauver	Scott
Douglas	Kerr	Smathers
Eastland	Langer	Sparkman
Ellender	Long	Stennis
Ervin	Magnuson	Symington
Fulbright	Mansfield	Thye
Gore	McClellan	Yarborough
Green	McNamara	Young

NOT VOTING—16

Bennett	Hickenlooper	Morse
Butler	Ives	Russell
Chavez	Jackson	Talmadge
Flanders	Javits	Wiley
Goldwater	Kennedy	
Hennings	Martin, Pa.	

So Mr. WILLIAMS' amendment was rejected.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the yeas and nays on the passage of the bill be vacated.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HOLLAND. Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated March 14, 1958, written to me by Mr. John C. Lynn, legislative director, American Farm Bureau Federation, stating the attitude of that organization on the bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
March 14, 1958.

HON. SPESSARD L. HOLLAND,
United States Senate,
Washington, D. C.

DEAR SENATOR HOLLAND: As you know the American Farm Bureau Federation took initiative in developing Public Law 480, the Agricultural Trade Development Act. We have always considered this act as a temporary measure designed to increase marketings of agricultural commodities abroad, to assist in reducing the surpluses in the hands of Commodity Credit Corporation and in facilitating foreign-market development.

Farm Bureau is opposed to the provisions contained in S. 3420. While we support a 2-year extension of Public Law 480, we feel that it is imperative that we emphasize the fact that this is supposed to be a temporary measure. In order to do this, we must show our intent of a gradual tapering off of the money authorized for this program. We, therefore, support a 2-year extension of this act with authorization as follows—for fiscal 1959, \$1,250,000,000; for fiscal 1960, \$750 million.

We submit that by increasing the authorization for title I foreign-currency sales up to over \$3,500,000,000 in the next 2½ years, plus the proposed mandatory barter provision of \$500 million is a step not in the best interest of the United States. It will have the effect of making Public Law 480 a permanent part of our agricultural export program and will have the effect of replacing dollar sales with sales for soft currencies. It is important that the Congress demonstrate its firm intent of tapering off sales for foreign currencies and thereby emphasize the temporary nature of this program.

We should not continue to use Public Law 480 to dump surplus agricultural commodities accumulated because of the continuation of unsound domestic price support and

adjustment programs. The freezing of the present programs will insure a continued accumulation of commodities in the hands of Commodity Credit Corporation.

A program of sales for foreign currency can benefit American agriculture only a limited length of time before markets begin to be oriented to this way of doing business. Customer nations start to consider foreign currency sales as a normal part of commercial trade. We view with serious concern evidence that some countries are adjusting their dollar exchange so that very little of it is used for the purchase of American farm products. Competitor nations will not accept a permanent Public Law 480 without taking serious trade retaliatory action against United States agricultural exports.

Farm Bureau also supports a program of bartering our agricultural surpluses for essential materials. However, we feel that barter transactions must be in addition to normal dollar sales. Under the provisions of S. 3420 barter transactions would displace dollar sales to a substantial degree. The barter program should be a supplement to normal exports; it should not displace dollar purchases. A barter program as visualized in S. 3420 would cause irreparable harm to United States foreign relations and United States foreign trade. The provision in its present form will tend to nullify some of the good in title I of Public Law 480.

We know of your interest in this program and hope that you will assist us in keeping Public Law 480 on a sound basis. We urge your support in amending S. 3420 so as to reflect the above principles.

Sincerely yours,

JOHN C. LYNN,
Legislative Director.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (S. 3420), as amended, was passed, as follows:

Be it enacted, etc., That section 103 (b) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, 83d Cong.), is amended to read as follows:

"(b) Agreements shall not be entered into under this title during any fiscal year which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of \$1,500 million, plus any amount by which agreements entered into in prior fiscal years (beginning with the fiscal year ending June 30, 1958) have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than authorized for such prior fiscal years."

SEC. 2. (a) Section 104 of such act is amended by inserting before the period at the end of the first sentence of paragraph (h) thereof the following: "and for the financing of programs for the interchange of persons under title II of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1446)."

(b) Such section is further amended by adding after paragraph (j) the following new paragraph:

"(k) For providing assistance, by grant or otherwise, in the expansion or operation in foreign countries of established schools, colleges, or universities founded or sponsored by citizens of the United States, for the purpose of enabling such educational institutions to carry on programs of vocational, professional, scientific, technological, or general education; and in the supporting of work-

shops in American studies or American educational techniques, and supporting chairs in American studies."

SEC. 3. Section 109 of such act is amended by striking out "June 30, 1958" and inserting in lieu thereof "June 30, 1960."

SEC. 4. Section 204 of such act is amended by striking out "June 30, 1958" and inserting in lieu thereof "June 30, 1960."

SEC. 5. Section 206 (a) of the Agricultural Act of 1956 is amended by inserting before the period at the end thereof a semicolon and the following: "but no strategic or critical material shall be acquired by the Commodity Credit Corporation as a result of such barter or exchange except for such national stockpile, for such supplemental stockpile, for foreign economic or military aid or assistance programs, or for offshore construction programs."

SEC. 6. In carrying out the provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended, extra long staple cotton shall be made available for sale pursuant to the provisions of title I of the act in the same manner as upland cotton or any other surplus agricultural commodity is made available, and products manufactured from upland or long-staple cotton shall be made available for sale pursuant to the provisions of title I of the act as long as cotton is in surplus supply, and no discriminatory or other conditions shall be imposed which will prevent or tend to interfere with their sale or availability for sale under the act.

INCREASED LENDING AUTHORITY
OF EXPORT-IMPORT BANK

Mr. JOHNSON of Texas. Mr. President, I send to the desk a proposed order, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the proposed order.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That following the reconsideration of the vote on the bill (S. 3149) to increase the lending authority of the Export-Import Bank of Washington, and for other purposes, debate on the passage of the bill shall be limited to 10 minutes, to be equally divided and controlled by Mr. JENNER and the majority leader.

Several Senators addressed the Chair.

Mr. JOHNSON of Texas. Mr. President, we have an agreement with the Senator from Indiana that the Senate would reconsider the action it took in passing the Export-Import Bank bill the other day. He is leaving the city. I agreed with him we would limit to 10 minutes the debate on reconsideration of the vote by which the bill was passed. Although he urged that we have a yeas-and-nays vote, he finally agreed that there be a division. I think if Senators will indulge me for about 10 minutes, so we can proceed to that matter, perhaps we can avoid another rollcall or two. I want to accommodate the Senator. He has waited several days so that the Senate could reconsider its action. There are other Senators who wish to leave town. The staff hopes to get away early, because the electricity has been cut off in several parts of town. If Senators will be as brief as possible, it will be appreciated in many quarters.

The PRESIDING OFFICER. The question is on agreeing to the order proposed by the Senator from Texas. Is

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there objection? The Chair hears none, and the order is entered.

Mr. JOHNSON of Texas. Mr. President, I ask that the action by which the Senate passed S. 3149, increasing the lending authority of the Export-Import Bank, be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. JOHNSON of Texas. Is the Senator from Indiana prepared to proceed with his statement?

TWO MORE BILLION DOLLARS FOR THE
EXPORT-IMPORT BANK

Mr. JENNER. Mr. President, the Senate has just passed a bill providing for the spending of billions of dollars. The other day I was profoundly shocked by the change in procedure by which an obligation of up to \$2 billion was laid on the American people by a Senate vote for S. 3149, to increase, by \$2 billion, the lending authority of the Export-Import Bank.

This bill was called up March 3, without any indication on the Legislative Calendar or in the CONGRESSIONAL RECORD that we would be voting to add \$2 billion to our contingent liabilities.

The request for a quorum call was perfunctorily made, and as perfunctorily withdrawn.

I think spending \$2 billion of the American taxpayers' money is too important not to have some notice and not to have a quorum call in the Senate.

The entire debate on the bill in the Senate takes up only a few lines in the CONGRESSIONAL RECORD.

I do not wish to make any blanket criticisms of the Export-Import Bank. On the whole, they have tried to make productive economic loans, and to keep their operating costs within a narrow margin.

I am disturbed about two matters. Why does the bank need two billion, if their loans last year, an unusually active year, were one thousand sixty-six million? Half of this sum was an emergency loan to Britain to meet the special problems raised by the Suez crisis. In addition, the bank collects repayments of about five hundred million a year. A fund of two billion should provide lending margin enough for from 2 to 10 or more years.

I do not believe our economy is in such a shape that we ought to increase the lending authority of the Export-Import Bank without a rollcall or a discussion.

The president of the National Foreign Trade Council recommended what he carefully described as a "reasonable increase" in the lending authority of the bank, but what is the evidence that two billion is a "reasonable" increase?

The second puzzle arises out of the first. Is this surprisingly large request designed to make sure funds are available to the Export-Import Bank, because of some already-agreed-on change in lending policies of which Congress might not approve?

Is the Export-Import Bank going to go in for softer loans, as the advocates of easy money for foreign governments have so persistently demanded?

I wonder especially if the Export-Import Bank is to be synchronized with the

new program for international development loans to neutral nations in the undeveloped continents?

Congress has been properly skeptical about this international development fund, which was so strongly denounced in the minority report of the House Committee on Foreign Affairs.

I pointed out some of its dangers in the debate on foreign aid.

Senators will remember how Congress has tried, again and again, to prevent point 4 funds from being used for machinery, services, and other costs, which should be paid for by the receiving country.

Congress was so successful in closing this leak that the executive agencies had to work out another way to get what they wanted.

They now get American funds for their local projects by a tie-in between point 4 and so-called development projects under foreign aid.

Whenever Congress saves a little money at the spigot, the bureaucrats find a way to spend many times as much at the bung hole.

So I wonder if we have here another bit of ingenuity by which ICA's international development fund will provide the strategy, and the Export-Import Bank is to supply working capital loans at the right times and places.

One hint in this direction is the amendment to the Agricultural Surplus Disposal Act, by which the bank is relending the counterpart funds which accrue from the sale of agricultural surpluses to foreign countries. We have just extended that authority.

We have been told by propagandists for the International Development Fund that American agricultural surpluses should be used to supply capital for the financing of development projects in Asia and Africa.

Is this how the deed is to be done, under cover of a program to help American farmers?

In the reactionary days of the 19th century, foreign investors were supposed to put up enough capital to pay for the food of their workers.

What a nice windfall it will be for the private investors in this bold new financial scheme, if the people of the United States are taxed to pay the cost of part of their expenses.

We do not have documentary proof of such a change in policy, but we know the unrelenting zeal with which the promoters of the international development fund pursue their aims.

We know the International Development Fund, for so-called private loans, is not, and will never be, anything but a drain on the United States Treasury.

Our tax funds are given outright to the ICA for soft loans, and never come back to the Treasury. The Senator from South Dakota [Mr. CASE] tried to correct that evil today, but was defeated.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JENNER. Mr. President, I ask unanimous consent that I may proceed for 3 additional minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator

from Indiana? The Chair hears none, and it is so ordered.

Mr. JENNER. Mr. President, if the foreign aid planners do intend to use the Export-Import Bank, and other agencies, to extend new and softer foreign loans, we know they will never give Congress the facts.

When we see a gap between the need for, perhaps, a half billion dollars, and a request for 2 billions, for the Export-Import Bank, at a time when the Treasury must husband every dollar, it is the duty of Senators to try to get what facts we can get from behind the curtain of official secrecy.

That is why I am so greatly disturbed by the speed with which this bill has been moving along.

Hearings lasted only one session.

The only witness was a Government official, Samuel C. Waugh, President of the Export-Import Bank, who had formerly been Economic Assistant Secretary in the State Department.

No public witnesses testified.

Public opinion was represented only by insertion of two letters.

With that, the hearings were closed.

We cannot tell from the record who decided on 2 billions, or why.

I do not consider that there could ever be a good reason for voting an increase of 2 billions in the potential liabilities resting on our people, without the use of every legislative means to inform the Senators, and to enable even one Senator to state his protest against such spending of money we do not have.

The United States Government is, at present, not able to operate with a debt ceiling of two hundred seventy-five billions.

This Congress has recently raised the ceiling to two hundred eighty billions, and administration experts talk of asking to have the ceiling removed altogether.

Meanwhile, revenues are falling below budget estimates.

We have been told that the Defense Department may need billions more for a stepped-up program to meet Soviet gains.

We have been asked to vote another three and a half billions to the Commodity Credit Corporation—which we have disposed of.

We are asking the American people to pay billions more so the executive branch can step up its missile and satellite program, and, with a straight face, asking them to pay three and a half billions more to give our farm surpluses to Poland, and other satellite states, which serve as granaries and arsenals of the Soviet war machine.

Is this the reason we had to increase the debt ceiling by five billions, or is this a new commitment?

Are we going to be told in a few months that we have to increase the debt ceiling again because Congress has voted five and a half billions of new credit to these agencies, and, of course, the executive agencies always try to do exactly what Congress wishes.

If this is a booby trap, for committing us to a new increase in the debt ceiling, let us take time now to examine what we are doing.